



PLANNING COMMISSION STAFF REPORT

File No.	GPT17-009/PP17-082
Location	Citywide
Council District	Citywide
CEQA:	Exempt per Public Resources Code Section 21080 (b)(1) and CEQA Guidelines Section 15268(a)

POLICY SUMMARY:

Adopt updated transportation analysis policy and related changes to conform with State law (SB 743) by removing the vehicular Level of Service (LOS) metric from transportation analysis under the California Environmental Quality Act (CEQA) and replacing it with a Vehicle Miles Traveled (VMT) metric.

RECOMMENDATION:

1. Recommend that the City Council adopt resolutions to approve all the following actions:
 - a. Amend the text of the General Plan to reflect the new City Council Transportation Analysis Policy;
 - b. Adopt a new City Council Transportation Analysis Policy 5-1 using VMT, rather than LOS, as the CEQA transportation metric, and amend Council Policy Transportation Impact Policy 5-3 to transition from LOS to VMT; and
 - c. Designate Infill Opportunity Zones to align the City's participation in the regional Congestion Management Program with the new City Council Transportation Analysis Policy 5-1.
2. Recommend that the City Council direct staff to continue work to refine the Council Policy 5-1, reporting back on the implementation of Policy 5-1 once sufficient experience is accumulated, and evaluate additional City policies and practices related to transportation and new development.

EXECUTIVE SUMMARY

The City of San José is considering the adoption of a new Transportation Analysis Policy (Council Policy 5-1) to establish a new metric for the analysis of transportation impacts from new development. The new policy will bring the City into conformance with State law (Senate Bill 743) and promote new development in alignment with the Envision San José 2040 General Plan.

The change to a VMT-based metric is intended to:

- Streamline CEQA review for projects that improve infrastructure and safety for pedestrians, bicyclists, and transit-riders while reducing the need to travel exclusively by automobile;
- Facilitate residential, commercial, and mixed-use infill projects that improve air quality by reducing the number of miles driven by automobiles; and
- Focus CEQA transportation mitigation on pedestrian, bicycle, and transit facilities, as well as transportation demand management.

In November 2011, the City Council adopted the 2040 General Plan as a blueprint for future growth and development in San José. The 2040 General Plan aims to transform San José from a City dependent on the automobile to one that prioritizes a network of connections between people and the public spaces where they live, work, connect and recreate.

In September 2013, the California Legislature passed, and Governor Brown signed, Senate Bill 743 (Steinberg). This legislation provides for a shift in the focus of transportation analysis under the California Environmental Quality Act (CEQA) from Level of Service (LOS), as measured by roadway capacity and vehicle delay, to Vehicle Miles Traveled (VMT), which is an estimate of the amount and distance people drive by vehicle to reach a destination. The desired outcomes from this change are a reduction in auto emissions, the creation of inter-connected transportation networks with a variety of travel modes, and the development of land uses designed to support those networks.

As proposed, Council Policy 5-1 would establish VMT as the City's transportation metric under CEQA in alignment with SB 743 and the major goals and strategies for land use and transportation under the 2040 General Plan. The new Policy would also require the preparation of a Local Transportation Analysis (LTA) study outside of CEQA to analyze local transportation operations, site access and circulation, and neighborhood transportation issues, and recommend needed transportation improvements.

Adopting a policy that measures and mitigates high VMT will help the City achieve its environmental and quality of life goals as set forth in the 2040 General Plan. In 2017, the City also adopted a resolution supporting the principles of the Paris Climate Change Agreement, and staff is now developing an environmental sustainability plan, *Climate Smart San José*, that will align with the goals of the Paris Agreement. By promoting the development of new higher-density, mixed-use projects in Planned Growth Areas, the use of VMT for transportation analysis under CEQA is expected to help reduce the City's overall greenhouse gas emissions.

Transportation currently accounts for roughly 54 percent of all greenhouse gas emissions in San José, and a more integrated land use pattern with better access to high-quality transit and other non-vehicle travel modes is likely to result in meaningful reductions in vehicle trips across the City.

Adopting and implementing the new Council Policy 5-1 requires the City to take four separate but interrelated actions. These actions include:

- 1) Amending the Envision San José 2040 General Plan to incorporate the proposed Council Policy 5-1, remove references to Council Policy 5-3, the existing Transportation Impact Policy, and ensure internal General Plan consistency.
- 2) Adopting the new Transportation Analysis Policy (Council Policy 5-1) under CEQA to replace the current LOS standard with the VMT metric and provide screening criteria, thresholds of significance, and mitigation measures aligned with State guidance under SB 743 and General Plan policies. Additionally, a Local Transportation Analysis will be performed to ensure safe and balanced transportation.
- 3) Adopting Infill Opportunity Zones (IOZs) for designated areas that meet the criteria provided under State law. City transportation facilities within designated IOZs will be exempt from Level of Service (LOS) based development review and monitoring within the Santa Clara County Congestion Management Plan (CMP).
- 4) Conducting a second phase of work on City transportation related policies that will enable San José to assess Policy 5-1 and propose refinements, as needed, as well as adopt complementary strategies to fully implement 2040 General Plan goals and strategies, promote planned growth, and complete the multi-modal transportation network.

City staff has held approximately 45 meetings with members of the community and other stakeholder groups to facilitate discussion, receive input, and increase awareness about the City's response to changes in State law. The feedback received in these meetings has been incorporated into the proposed, particularly the requirement for Local Transportation Analysis outside of CEQA, and to prioritize policies that support an equitable, affordable San José.

The information presented to the Planning Commission for consideration is organized as follows:

- Planning Commission Staff Report
 - Executive Summary
 - Policy Description: Background and Policy Actions
 - Analysis: Policy Actions, General Plan Conformance, Community & Stakeholder Considerations, and Outreach & Engagement
- General Plan Text Amendment GPT 17-009 Resolution and Text
- Resolution Approving Amendments to Council Policy 5-3 and Approving a New Council Policy 5-1
 - Council Policy 5-1 ("Transportation Analysis Policy")
 - Appendix A: Definition of Terms
 - Appendix B: Policy Implementation Procedures
 - Appendix C: Flow Chart of the Transportation Analysis Process
 - Amendments to Council Policy 5-3 ("Transportation Impact Policy")
- Infill Opportunity Zone Resolution and Map
- Supporting Details on Thresholds and Screening Criteria

POLICY DESCRIPTION

BACKGROUND

California Environmental Quality Act

CEQA was enacted in 1970 in response to growing awareness that environmental impacts associated with proposed discretionary actions (e.g., projects) should be disclosed to the public. This State statute mandates that the public and decision makers be provided with an objective analysis of the immediate and long-range impacts of a proposed project on its physical environment through an environmental review process, and that decision-makers consider these impacts prior to any discretionary approvals. CEQA plays an important role in the implementation of the City's General Plan goals and policies. The City implements CEQA in accordance with Title 21 (Environmental Clearance Ordinance) of the San José Municipal Code.

The fundamental objectives of CEQA are to conduct thorough environmental analysis based on available scientific and factual data; inform the public and decision makers, and disclose the project's impacts, especially potentially significant effects to the physical environment for an informed decision making. Currently, the City and most other jurisdictions use LOS as a metric to measure traffic and congestion on roadways for transportation impacts under CEQA.

Transportation “Level of Service” (LOS) Measurement

LOS measures vehicle delay (i.e., congestion at intersections and on roadways) and is represented as a letter grade A through F, where LOS A represents completely free-flowing traffic, while LOS F represents highly congested conditions. To calculate LOS for a project, a multi-step process is required to identify, estimate, or obtain the following information: study intersections that may be affected, existing traffic count and current delay data, and trips projected from a project, along with travel mode (e.g., vehicle, transit, walking or bicycling) and direction of vehicle trip travel.

History of Transportation Policies and Relationship to CEQA in San José

In 1978, the City Council established a Transportation LOS Policy (Council Policy 5-3) to meet CEQA requirements and require projects to include mitigation measures to reduce transportation impacts and conform to the Horizon 2000 General Plan. Council Policy 5-3 required the analysis of potential LOS impacts and associated mitigation, typically in the form of expanded intersections and roadways to provide additional capacity for estimated increases in vehicular traffic from projects.

In 1987, the City Council adopted Council Policy 5-4 to establish alternate traffic mitigation measures allowed under the Horizon 2000 General Plan. In 2002, the City Council adopted amendments to the San José 2020 General Plan to allow flexibility in the vehicular traffic and transportation policies to support multi-modal transportation goals and smart growth land use principles.

In 2005, the City Council adopted a new Multi-modal Transportation Policy 5-3 in alignment with the 2002 changes to the 2020 General Plan. This new Council Policy 5-3 entitled “Transportation Impact Policy” consolidated the prior Council Policy 5-3, “Transportation LOS,” and Council Policy 5-4, “Alternate Traffic Mitigation Measures.” Council Policy 5-3 continues to identify LOS as the CEQA metric for analyzing project transportation impacts. Council Policy 5-3 is in

effect today and provides a multi-step process for the analysis and determination of the overall conformance of a proposed project with the City's General Plan smart growth and multi-modal transportation policies.

Under Council Policy 5-3, projects that cause LOS at signalized intersections to degrade below the LOS D minimum standard are identified to have significant impacts under CEQA. Council Policy 5-3 also includes exemptions for: 1) intersections within the Downtown area, in recognition of the unique position of the Downtown as the transit hub of Santa Clara County and as the City's center of business, institutional and cultural activities; and 2) small, infill projects.

Projects that trigger a significant impact must identify mitigation to maintain the LOS standards. For intersection impacts that cannot be mitigated, the current Envision San José 2040 General Plan and Council Policy 5-3 allows the City Council to adopt findings to override that significant impact as part of the EIR process in one of three circumstances:

1. The impact occurs outside of the City's jurisdiction and therefore the City does not have control to implement feasible mitigations (for example, on a Caltrans facility or in a neighboring city);
2. The impact occurs within a City Council established Area or Transportation Development Policy to address land use and transportation needs;
3. The City Council designates the intersection as a "Protected Intersection," where the intersection is already built to its maximum planned capacity.¹

As part of the adoption of Council Policy 5-3 in 2005, the City completed an EIR and adopted a list of 28 protected intersections. After 2005, additional EIRs have been completed and additional Protected Intersections have been added to the City's List of Protected Intersections. Council Policy 5-3 has not been significantly updated since 2005, although in December 2016 the text and maps associated with Council Policy 5-3 were updated to reflect the Envision San José 2040 General Plan's definition of Special Strategy Areas, which included "Urban Villages, Transit Station Areas, and Specific Plan Areas," and to create an additional Community Improvement Zone.

Envision San José 2040 General Plan

In November 2011, the City Council adopted the Envision San José 2040 General Plan (2040 General Plan) to guide future growth and development in San José. The 2040 General Plan continues the City's longstanding growth management and environmental sustainability policies and establishes an updated framework for enhanced job growth. The 2040 General Plan also provides capacity for the development of new high-quality housing and vibrant urban places.

The 2040 General Plan aims to transform San José from a City built around the automobile to one that prioritizes people and the public spaces where they live, work, and connect. It recognizes the ability to get to the things one needs depends on of both proximity and mobility and the General Plan includes complementary strategies to improve proximity and mobility.

¹ Protected Intersection designations are only allowed in Special Strategy Areas as set forth in Council Policy 5-3. Impacts on Protected Intersections require that alternative offsetting improvements (such as pedestrian, bicycle, and transit facilities) be made to enhance the transportation system near the development, near the Protected Intersection, or in other segments of the transportation system within a designated Community Improvement Zone.

- **Proximity** – The 2040 General Plan provides a framework to transition from a segregated land use pattern, where the things that people need in their daily lives such as housing, jobs, shops, services, daycare, schools, entertainment, recreation, etc. are spread apart, to more mixed land uses that are integrated and clustered closely together in “Planned Growth Areas.” These Planned Growth Areas are expected to accommodate more than 470,000 new residents and 380,000 additional jobs, as projected in the 2040 General Plan. Planned Growth Areas include Downtown, Specific Plan Areas, Urban Villages, and Employment Priority Areas, and are largely clustered around existing and planned transit.

Regionally, these goals aim to bring residents and jobs closer together, with more employment opportunities in San José allowing more people to work closer to home and avoid long, traffic-filled commutes to and from the traditional job centers in northern parts of Santa Clara County and along the Peninsula.

- **Mobility** – The 2040 General Plan aims to build a more balanced and environmentally sustainable transportation system where 60 percent of commute trips made in San José are by walking, bicycling, transit, or carpool. To achieve this ambitious goal, the 2040 General Plan prioritizes places to walk, connected bicycle facilities that are comfortable for people of all ages and abilities, and improved transit options, particularly in Planned Growth Areas.

These focused and balanced growth strategies bring people closer to the places they need to go, reducing people’s need to travel (or travel as far) while increasing their ability to walk, bike, or ride transit. Additionally, these growth strategies take advantage of transit investments, with transit-oriented developments that support transit ridership while decreasing auto dependency. While these strategies direct and promote development within Planned Growth Areas, they also strictly limit new residential development outside of these Planned Growth Areas to preserve and enhance the quality of established neighborhoods, reduce environmental and fiscal impacts, and encourage development within the City’s Urban Growth Boundary that are closer to multi-modal transportation options.

Vehicle Miles Traveled (VMT)

VMT measures the amount and distance people drive by vehicle. Typically, development at a greater distance from other land uses and in areas without transit generates more driving than development near other land uses with more robust transportation options. Currently, VMT information is used to help measure other CEQA impacts within the City, including air quality and greenhouse gas emissions at a project level and, in General Plan or program-level analysis, to identify long-range transportation impacts.

The 2040 General Plan established a three-tiered goal to reduce the City’s VMT – initially by 10 percent, then 20 percent, and eventually 40 percent per capita over the life of the 2040 General Plan.

Senate Bill 743 (Environmental Quality: Transit-Oriented Infill Projects)

In September 2013, the California Legislature passed and Governor Brown signed Senate Bill 743 (Steinberg). SB 743 directs the State Office of Planning and Research (“OPR”) to establish new CEQA guidance for jurisdictions that removes vehicular LOS from transportation analysis under CEQA and replaces it with VMT, or another measure that “promote[s] the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses.” The intent of this change is to shift the focus of transportation analysis

under CEQA from vehicle delay and roadway auto capacity to a reduction in vehicle emissions, and the creation of robust multimodal networks that support integrated land uses.

In August 2014, the State OPR published a Preliminary Discussion Draft of Updates to the CEQA Guidelines Implementing SB 743, and invited public comment. In January 2016, OPR released a revised proposal for changes to the CEQA Guidelines to implement SB 743. The City of San José submitted comments on both the Preliminary Discussion Draft (2014) and Revised Proposal (2016). On November 27, 2017, OPR submitted a final proposal to the State Natural Resources Agency to begin the formal rulemaking process that will amend the State's CEQA Guidelines. After approval of the proposed Guidelines by the Natural Resources Agency, jurisdictions are expected to have until January 1, 2020 to comply with SB 743. Because of the alignment between SB 743 and the 2040 General Plan, Climate Smart San José and various adopted specific area plans, the City proposes to implement this change in early 2018 to accelerate work on shared environmental, land use and mobility goals.

Congestion Management Programs and Infill Opportunity Zones

Since 1989, the State of California has required Congestion Management Agencies to develop comprehensive transportation improvement programs, called Congestion Management Programs (CMPs) among local jurisdictions aimed at reducing traffic congestion and improving land use decision-making and air quality. CMPs are based on State law (AB 471, 1989, California Government Code § 65088-65089.10) and are intended to analyze and report on regional transportation issues. The City of San José is currently a party to the County-wide CMP that is managed by the Santa Clara Valley Transportation Authority (VTA). In accordance with State law, VTA continues to require LOS measurement for transportation facilities monitored by the CMP.

SB 743 reintroduced Infill Opportunity Zones (IOZs) to align the requirements of CEQA under SB 743 and the CMP. IOZs are areas in which CMP transportation facilities are exempt from CMP LOS requirements to incentivize the development of *“infill housing and mixed use commercial developments within walking distance of mass transit facilities, downtowns, and town centers and to provide greater flexibility to local governments to balance these sometimes competing needs”* (CA. Government. Code § 65088.4). IOZs must be within one-half mile of high-quality transit and in designated Transit Priority Areas within the regional Sustainable Communities Strategy (Plan Bay Area 2040). Areas that meet these State requirements can be designated as an IOZ through a City Council resolution. Transportation facilities within IOZs will continue to be part of the CMP program but would be measured under multimodal performance criteria instead of LOS standards.

PROPOSED ACTIONS

This section lists each of the four proposed actions recommended to the Planning Commission. They are described in detail and analyzed in the following section of this memorandum. Phase I actions are recommended for adoption at the current time (Proposed Actions #1, #2, and #3), with Phase II as continued work and refinement over the next one to two years (Proposed Action #4).

1) General Plan Text Amendments

Amend the Envision San José 2040 General Plan to incorporate the proposed Council Policy 5-1, remove references to Council Transportation Impact Policy 5-3 and ensure internal General Plan consistency.

2) New Transportation Analysis Policy

Adopt a new Transportation Analysis Policy under CEQA that will shift from an LOS standard to the VMT metric, with screening criteria, thresholds of significance, and mitigation measures aligned with State guidance under SB 743 and General Plan policies. Additionally, a Local Transportation Analysis will be performed to ensure safe and balanced transportation.

3) Adopt Infill Opportunity Zones

Adopt IOZs that will designate areas that meet State law criteria. City transportation facilities within designated IOZs will be exempt from Level of Service based development review and monitoring within the Santa Clara County Congestion Management Program.

4) Second Phase of Work to Further Align Goals, Policies, and Programs

The second phase of work on City transportation related policies will enable San José to assess Council Policy 5-1 and propose refinements as needed, as well as adopt complementary strategies to fully implement 2040 General Plan goals, realize planned growth, and complete the multi-modal transportation network.

ANALYSIS

PROPOSED ACTIONS

Proposed Actions 1, 2, and 3 bring the City into alignment with Senate Bill 743 (SB 743). SB 743 intends to balance local congestion management with statewide goals related to infill development, promote public health through active transportation, and reduce regional congestion and pollution. SB 743 also supports the State's climate action goals to reduce Green House Gas (GHG) emissions through coordinated transportation and land use planning and sustainable communities, in line with State laws such as Assembly Bill 32 (the California Global Warming Solutions Act) and Senate Bill 375 (Sustainable Communities Strategy).

Changes to how transportation is measured under CEQA can remove barriers to infill development, public transportation projects, and projects that promote walking and biking. Under current environmental rules, increases in automobile traffic (LOS) are considered an environmental impact that must be mitigated—by expanding intersections and roadways - even if the mitigation increases GHGs. The change to a VMT-based metric is intended to:

- Streamline CEQA review for projects that improve infrastructure and safety for pedestrians, bicyclists, and transit-riders, while reducing the need to travel by automobile;
- Facilitate residential, commercial, and mixed-use infill projects that improve air quality by reducing the number of miles driven by automobiles; and
- Focus CEQA transportation mitigation on pedestrian, bicycle, and transit facilities, as well as transportation demand management.

Moving from LOS to VMT as the City's CEQA transportation metric aligns with the major strategies, land use, and transportation goals currently in the Envision San José 2040 General Plan and facilitates its implementation. Under the new Policy, development in San José that aligns with the General Plan will generally experience a more streamlined environmental review process, with respect to transportation. This is particularly true in the City's Planned Growth Areas that are well served by transit, such as the Downtown and Central San José Urban Villages, where development is expected to produce VMT below recommended thresholds for a significant impact. Staff anticipates that the Downtown Strategy 2040 EIR update will be among the first major projects subject to a new City VMT standard under CEQA.

Mobility accounts for roughly 54 percent of GHG emissions in San José today. The City previously adopted a resolution supporting the principles of the Paris Agreement Climate Change and is developing Climate Smart San José, an Environmental Sustainability Plan that establishes a technically robust "Pathway to Paris" that aligns with the Agreement's goal of keeping global average temperatures from rising 2 degrees Celsius compared to pre-industrial levels. Implementing the General Plan alone is a necessary but insufficient part of that pathway. If we are to realize our GHG-reduction goals, the City must use a metric like VMT that supports smart land use and transportation choices and reduces the need to travel by car.

Each of the Proposed Actions is detailed and analyzed below.

1) General Plan Text Amendments

Staff proposes to amend the Envision San José 2040 General Plan to incorporate the proposed Council Policy 5-1, remove references to Council Policy 5-3 and ensure internal General Plan consistency. City staff has reviewed the 2040 General Plan and recommends the following amendments to the General Plan text: (1) add a new section to Chapter 1, "History of Planning in San José", describing the change in State law (SB 743) and new Council Policy 5-1; (2) summarize the new Council Policy 5-1 in Chapter 6, "Land Use and Transportation," while removing reference to Council Policy 5-3; and (3) reference the new Council Policy 5-1 in Chapter 7, "Implementation." The language proposed to be added or removed is included in Attachment B: General Plan Text Amendment GPT 17-009 Resolution and Text; and other non-substantive changes.

At the time of its approval, the 2040 General Plan anticipated the citywide adoption of VMT by including VMT as a long-term transportation metric. It also required that the development process study and "fund needed transportation improvements for all transportation modes, giving first consideration to improvement of bicycling, walking and transit facilities [and] encourage investments that reduce vehicle travel demand." (Chapter 6, Land Use and Transportation, TR – 1.4) The proposed Council Policy 5-1 aims to implement these General Plan directives.

The current 2040 General Plan also summarizes the existing LOS-based Council Policy 5-3 to ensure that Council Policy 5-3 had sufficient legal standing to enforce its intent. Similarly, the proposed amendments to the 2040 General Plan are needed to support the proposed Council Policy 5-1.

The amendments to the text of the 2040 General Plan remove references to Council Policy 5-3 and LOS as the traffic standard for the City. The proposed amendments also remove references to Council Policy 5-3 to ensure 2040 General Plan consistency. While the new Council Policy 5-1 continues to use LOS in a limited way, there is no longer a need to codify

the metric in the 2040 General Plan. The effects of automobile traffic from new development will be studied at a localized level and improvements proposed to address these effects will be based on nexus.

The proposed amendments also provide strong General Plan support for the new Council Policy 5-1. In addition to summarizing the VMT-based analysis under CEQA, the General Plan will continue to outline when the City will consider statement of overriding consideration in the EIR context and reference the Local Transportation Analysis as a means of securing improvements needed to maintain or provide access through the entitlement process. As already directed by the 2040 General Plan, the proposed improvements will focus on non-auto transportation, and assist in the creation of a complete multimodal transportation network.

2) **New Transportation Analysis Policy**

The proposed new Council Policy 5-1 includes the following key elements:

- **Transportation Analysis under CEQA will shift from measuring LOS to measuring VMT**, with screening criteria, thresholds of significance, and mitigation measures in accordance with State guidance and General Plan policies. Thresholds are generally set at 15 percent below existing average per capita VMT for employment and residential uses for new developments. The threshold for industrial development is proposed to be equal to the existing per capita VMT. The threshold for a retail project is whether it generates net new VMT, as new retail typically redistributes existing trips and miles traveled as opposed to inducing new travel. Table 1 in the proposed Council Policy 5-1 lists VMT thresholds by type of land uses.
- **Projects that meet screening criteria will not require a detailed VMT analysis.** A project is “screened” based on its location, type, size, density, and other attributes that support a presumption that, if analyzed, the project’s impact under VMT would be less-than-significant. Projects that meet screening criteria include: (1) transportation projects that reduce or do not increase VMT; (2) small infill projects; (3) local-serving retail; (4) local-serving public facilities (e.g., libraries, community centers, parks, fire stations, etc.); (5) transit-supportive development in Planned Growth Areas with low-VMT that are served by frequent transit; and (6) transit-supportive restricted affordable housing in any Planned Growth Area with frequent transit. For screening criteria #5 and #6, transit-supportive development is defined as projects dense enough to support transit service, without dedicated parking in excess of minimum requirements, and that does not degrade the existing multimodal transportation network.
- **Projects will analyze their VMT and mitigate identified impacts** if they do not meet screening criteria. Projects will typically conduct VMT analysis using a spreadsheet or web-based VMT Analysis Tool. The VMT Analysis Tool that the City and its consultants have developed to assess expected VMT is based on a variety of factors. These factors include the project’s location and the characteristics of the location that influences VMT such as proximity to complementary land uses, transit, and other non-auto transportation options. When a project’s analysis shows VMT higher than established thresholds (generally 15 percent below the existing average), the project will need to mitigate or reduce its VMT to below the established thresholds. The VMT Analysis Tool is designed to allow people to explore various project scenarios and features and how those effect VMT. The VMT Analysis Tool can be used before a developer submits a planning application – saving time and effort by refining the project early in the process. Necessary

mitigation measures will be agreed upon between the City and Project applicant and included in the environmental document.

In the case of large land use plans or other projects that have the potential to fundamentally shift travel patterns and VMT, analysis may require the use of the City's Travel Demand Model. Transportation projects that have the potential to increase vehicle travel will assess their total VMT impact. Guidance about the available tools and situations in which to use them can be found in the City's revised Transportation Analysis Handbook which will be available on the Department of Public Works' Development Services website.

- In some cases, Projects may result in **significant and unavoidable transportation impact under CEQA**. A project may result in significant impact and unavoidable impacts within the City of San José, as measured under VMT, or on facilities in other jurisdictions such as neighboring cities or highways under those jurisdictions' CEQA standards.

In accordance with State CEQA Statute and Guidelines and Title 21 of San José Municipal Code, projects with significant and unavoidable impacts require the City Council to certify an Environmental Impact Report and adopt a Statement of Overriding Considerations. Adoption of a Statement of Overriding Considerations with findings requires that specified benefits of such projects outweigh the unavoidable and significant impacts in accordance with Public Resources Code 21081. Based on these requirements, the decision-making agency must balance the economic, legal, social, technological, or other benefits of a proposed project against identified significant environmental effect. Examples of overriding benefits include sustainable development measures, support for public programs, publicly available community space, provision of affordable housing, economic development through jobs, and transportation or other public infrastructure that is beyond what is required for the development itself.

Proposed Council Policy 5-1 would continue to allow the City Council to consider overriding a significant transportation impact in one of the three circumstances enumerated below.

1. The Project results in impacts outside of the City's jurisdictions and therefore, the City does not have control to implement mitigations (for example, on a Caltrans facility or in a neighboring city); or
2. The Project results in impacts that occur within a City Council-established Area or Transportation Development Policy to address land use and transportation needs; or
3. The Project mitigates its VMT impacts to the maximum extent possible as defined by the City's Analysis Tool and either:
 - i. The Project is a 100 percent deed restricted affordable, at or below income levels as defined in General Plan Policy IP-5.12; or
 - ii. The Project is market rate housing within a City Planned Growth Area, commercial, or industrial, and must construct or fund multimodal transportation improvements, as detailed in Council Policy 5-1, Appendix B.

Circumstances 2 and 3 above address impacts that occur within the City of San José. These provisions ensure that new developments that conform to the General Plan have a

potential path forward under the new Council Policy 5-1. It also requires that developments mitigate their impacts on VMT to the maximum extent possible, and secures for the City, the community benefits and investment (offsetting improvements) in exchange for the discretionary approval of the override.

Proposed Council Policy 5-1 includes a value of the offsetting improvements as part of the overriding benefits. This value is calculated based on the cost of creating “complete streets” — streets with safe places for people to walk, bicycle, drive, and take transit – in high VMT areas of the City. These investments will help ensure that people throughout San José have viable low VMT transportation alternatives.

- **The City will require a Local Transportation Analysis (LTA)** in accordance with City Guidelines. The LTA will study local transportation operations, including safety, multimodal access, and signalized intersection level of service proximate to the project; site access and circulation; and neighborhood transportation issues and recommend necessary transportation improvements. The LTA builds on current City practices and policies to ensure that projects do not negatively affect surrounding neighborhoods or the operation of the transportation networks. Many developments in San José are expected to have VMT below the recommended thresholds for a significant impact. In such scenarios, the LTA provides the community and the City with important information about a project and, when needed, a mechanism to address identified concerns and issues and improve the multimodal transportation system.
- **Applicability of the Policy to development that has been approved or is in the approval process.** Staff proposes that the new Council Policy 5-1 will go into effect 30 days after City Council approval. New development projects that submit complete Planning applications after that date must comply with the new Council Policy 5-1; before that date, projects that wish to also study VMT per the new Council Policy 5-1 may do so with approval from the Director of Public Works.

Projects and plans (including Area Development Policies) that currently have completed environmental review under Council Policy 5-3 remain subject to the existing Council Policy 5-3, and can carry out minor amendments under Council Policy 5-3.

- **Existing Area and Transportation Development Policies (ADPs and TDPs) remain in effect** unless the City Council revises them. ADPs and TDPs, such as the North San José Area Development Policy, have certified project-level environmental clearance for elements such as transportation, noise, and air quality. In the case of ADPs, that clearance covers a specified amount of development capacity, as approved under the existing EIR for the policy area.

After the approval of the new Council Policy 5-1, unused development capacity in an ADP will continue to be available to potential projects. Projects in ADP and TDP areas can continue to rely on the transportation analysis in the approved EIRs. Projects will continue to be able to address minor technical changes through an addendum (CEQA Guidelines Section 15164) process and tiering the environmental analysis from the approved CEQA documents for additional analysis as needed (CEQA Guidelines Section 15152), provided there is no Substantial Change, as defined in California Public Resources Code Section 21166 and CEQA Guidelines Sections 15162-15164.

Existing ADPs were developed to comprehensively address transportation and land use needs, while existing TDPs document the nexus between new development and needed transportation improvements. The adoption of the new Council 5-3 does not negate the existence or relevance of ADPs and TDPs adopted by the City Council. New ADPs and TDPs, as well as substantial updates to existing plans, will be analyzed using the new Council Policy 5-1.

3) Adopt Infill Opportunity Zones (IOZs)

The California CMP statute requires that all Congestion Management Agencies (CMAs) develop a uniform program for evaluating the transportation impacts of land use decisions on the designated CMP System. The VTA administered CMP requires the City of San José to measure and report the impact of development and area plans on CMP designated intersections using the LOS standard. The CMP also requires that when a CMP facility does not meet the specified LOS standards, LOS-focused mitigations or a deficiency plan must be created.

These CMP requirements maintain LOS in the evaluation of the transportation impacts of land use decisions and, as such, conflict with the change in CEQA transportation thresholds from LOS to VMT. SB 743 offers cities the opportunity to unburden themselves of this LOS evaluation within certain areas called IOZs.

The Legislature's intent in allowing IOZs is to incentivize the development of "infill housing and mixed use commercial developments within walking distance of mass transit facilities, downtowns, and town centers and to provide greater flexibility to local governments to balance these sometimes competing needs" (CA. Gov't. Code § 65088.4). IOZs may be designated in areas that are "within one-half mile of a major transit stop or high-quality transit corridor included in a regional transportation plan" (CA. Gov't. Code § 65088.1) and are "consistent with the general plan and any applicable specific plan, and is a transit priority area within a Sustainable Communities Strategy or alternative planning strategy adopted by the applicable metropolitan planning organization" (CA. Gov't. Code § 65088.4).

The proposed adoption of IOZs, based on the current Transit Priority Areas, would exempt the facilities shown in green on Map 1. Staff will bring updates to IOZs areas to the City Council for approval with major changes to the City's transit routing and operations plans. The first update is anticipated with implementation of the VTA's Next Network service plan and the Berryessa BART extension.

IOZs offer the City of San José the opportunity to align CMP requirements with City and State policies for the Planned Growth Areas supported by transit. Adopting the proposed resolution on IOZs will remove the current 40 CMP intersections in Planned Growth Areas from the necessity of LOS analysis under CMP; including CMP intersections in Downtown, North San José and along the Santa Clara St./Alum Rock Corridor (see Map 1).

[illegible]

The new Council Policy 5-1 brings the City of San José into compliance with SB 743. Given the City’s ambitious 2040 General Plan and greenhouse gas reduction goals, staff proposes evaluation of additional City policies and practices related to transportation and new developments. Staff will prioritize these policies and practices based on the City’s 2040 General Plan and environmental goals. These future evaluations and actions may include, but are not limited to:

- A Transportation Demand Management (TDM) ordinance to ensure that all projects reduce vehicular travel demand, regardless of whether projects have a VMT impact under CEQA.
- Holistically update parking requirements to better align with the 2040 General Plan and support VMT-reduction goals.
- Regional and/or citywide transportation impact fees related to VMT or other appropriate metrics. Well-designed impact fees have the potential to streamline development and ensure that projects across the region pay their fair share toward transportation needs. Linking future fees to VMT would allow developments that generate less travel to pay less in fees, aligning incentives for the City and new developments. Recognizing the

significant effort, and ultimately lesser control over creating a regional impact fee program, and that some transportation needs are local, the City may also want to explore a citywide transportation impact fee that is feasible along with various City fee programs.

Staff also proposes a scheduled assessment of the new Council 5-1 no later than one year after Countywide adoption of VMT based transportation analysis. The timing of this assessment will allow the City to gain experience and insight on potential areas of improvement for the Council Policy 5-1. The timeframe proposed also allows for further coordination with other jurisdictions on the challenging process of aligning policies and tools across jurisdictions, and in determining the feasibility of regional investment and fees. This work will include a review of the efficacy of the Transportation Analysis VMT framework and propose improvements for its on-going implementation. Future updates to this Council Policy 5-1 will also reflect the outcomes of the VTA-led countywide VMT effort that began in late Fall 2017.

COMMUNITY AND STAKEHOLDER CONSIDERATIONS

The change in CEQA standard from measurement of congestion at roadway intersections to the number of miles people travel is a significant shift in perspective; a shift from studying the localized congestion effects to regional effects through the length of trips of a new project. For many neighborhoods throughout San José and other communities in California, adjusting to this new perspective will take time and ongoing public discussions. The Local Transportation Analysis (LTA) described elsewhere in this report is an important way to continue providing residents and decision makers with information about the local transportation effects of a project and actions to address them.

Some stakeholders have shared that consideration that the new Transportation Analysis Policy may have the potential to impact disadvantaged communities, particularly as it relates to housing affordability. While various studies and reports may conclude that housing costs tend to increase in areas that are well served by transit, it has also been documented and supported by the Governor's Office of Planning and Research that households' combined housing and transportation cost is generally reduced in transit-rich areas.

The purpose of the new State law, SB 743, is to realize a more sustainable future by reducing greenhouse gas emissions and traffic-related air pollution, promoting the development of a multimodal transportation system, and providing clean, efficient access to destinations. The metric change from LOS to VMT under CEQA aligns with and implements the policies and goals of Envision San Jose 2040 General Plan for a balanced and accessible City.

ENVISION SAN JOSÉ 2040 GENERAL PLAN CONFORMANCE

The proposed General Plan text amendments, Transportation Analysis Policy, and Infill Opportunity Zones are consistent with the following General Plan major strategies, goals, and policies:

1. **Major Strategy #3 – Focused Growth:** The Focused Growth Major Strategy encourages new growth to be focused into areas of San Jose that will promote the City's goals for economic growth, fiscal sustainability, and environmental stewardship, and support the development of new attractive urban neighborhoods. The General Plan focuses growth to increase employment capacity in areas surrounding the City's regional employment centers. This Focused Growth Major Strategy is intended to reduce environmental impacts and foster transit use and

walkability. New growth capacity is focused in specifically identified “Growth Areas,” while most of the City is not planned for additional growth or intensification.

Major Strategy #7 – Measurable Sustainability/Environmental Stewardship: The Measurable Sustainability/Environmental Stewardship major strategy establishes goals and policies to minimize waste, efficiently use natural resources, and manage and conserve resources for use by present and future generations. As the City’s guide for growth and development, the General Plan is a unique tool to shape its growth, minimize its impacts on resource consumption, reduce its contribution to global warming, and to preserve and enhance its natural environment.

Analysis: The Focused Growth and Measurable Sustainability/Environmental Stewardship major strategies use land use planning to promote both fiscal and environmental stewardship by focusing new growth in the City’s employment centers and areas with existing or planned transit. The proposed General Plan text amendments and Policy would adopt VMT as the CEQA metric to analyze transportation impacts of new development, consistent with State law. The change to a VMT metric is intended to facilitate new infill development that improves air quality by reducing the number of miles driven by automobiles. Projects that are within General Plan Growth Areas will generally be subject to a less extensive environmental review process, and fewer transportation related mitigation. As such, the proposed new Council Policy 5-1, General Plan text amendments, and IOZs support implementation of the Focused Growth and Measurable Sustainability/Environmental Stewardship major strategies by facilitating new development in Growth Areas, which will contribute to a reduction in the City’s overall VMT and brings people closer to their destinations.

2. **Balanced Transportation System Goal TR-1:** Complete and maintain a multimodal transportation system that gives priority to the mobility needs of bicyclists, pedestrians, and public transit users while also providing for the safe and efficient movement of automobiles, buses, and trucks.

Balanced Transportation System Policy TR-1.1: Accommodate and encourage use of non-automobile transportation modes to achieve San José’s mobility goals and reduce vehicle trip generation and VMT.

Balanced Transportation System Policy TR-1.2: Consider impacts on overall mobility and all travel modes when evaluating transportation impacts of new developments or infrastructure projects.

Balanced Transportation System Policy TR-1.3: Increase substantially the proportion of commute travel using modes other than the single-occupant vehicle.

Balanced Transportation System Policy TR-1.4: Through the entitlement process for new development, fund needed transportation improvements for all transportation modes, giving first consideration to improvement of bicycling, walking and transit facilities. Encourage investments that reduce vehicle travel demand.

Walking and Bicycling Policy TR-2.8: Require new development where feasible to provide on-site facilities such as bicycle storage and showers, provide connections to existing and planned facilities, dedicate land to expand existing facilities or provide new facilities such as sidewalks and/or bicycle lanes/paths, or share in the cost of improvements.

Vehicular Circulation Goal TR-5: Maintain the City's street network to promote the safe and efficient movement of automobile and truck traffic while also providing for the safe and efficient movement of bicyclists, pedestrian, and transit vehicles.

Analysis: Using VMT as a CEQA metric for the analysis of transportation impacts can remove barriers to infill development, public transportation projects, and projects that promote walking and biking. The proposed General Plan text amendments and the new Council Policy 5-1 will help facilitate development projects in areas that have strong access to transit, which supports the goals and policies focused on reducing vehicle trip generation and VMT. Current mitigations for transportation impacts frequently require expanding intersections and roadways, even if these mitigations lead to increases in GHG emissions. Mitigation under the proposed new Council Policy 5-1 for projects with VMT impacts or local transportation effects would be focused on measures to reduce project-related vehicle trips and/or improvements to the local multimodal transportation network, consistent with the above goals and policies.

3. **Tier I Reduction of Vehicle Miles Traveled Goal TR-9:** Reduce Vehicle Miles Traveled (VMT) by 10%, from 2009 levels, as an interim goal.

Tier I Reduction of Vehicle Miles Traveled Policy TR-9.1: Enhance, expand, and maintain facilities for walking and bicycling, particularly to connect with and ensure access to transit and to provide a safe and complete alternative transportation network that facilitates non-automobile trips.

Regional and State VMT Reduction Efforts Goal TR-11: Reduce VMT an additional 20% above Goals TR-9 and TR-10 (a total reduction of 40% as measured from 2009) by participating and taking a leadership role in on-going regional and statewide efforts to reduce VMT.

Analysis: The proposed new Council Policy 5-1 directly supports the goals of reducing the City's VMT by facilitating the type and location of new development that will lessen residents and employees' reliance on automobiles. Measuring CEQA transportation impacts using VMT as a metric also directly aligns with the quantitative goals of reducing VMT, and resulting mitigations will be primarily focused on improvements to pedestrian, bike, transit, and another multi-modal infrastructure. San Jose is taking a leadership role with the proposed new Council Policy 5-1, and will be the first city in the Santa Clara County and at the forefront of many jurisdictions in the State to comply with and implement SB 743. As a result, San Jose's Policy, and the process to develop it, can serve as a model for other cities in the County and State, as they move forward with compliance with SB 743.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Pursuant to Public Resources Code Section 21080(b)(1), the proposed adoption of the General Plan Text Amendments, City Council Transportation Analysis Policy (Council Policy 5-1), and amendments to City Council Transportation Impact Policy (Council Policy 5-3) are ministerial actions and pursuant to CEQA Guidelines 15268 (a); ministerial actions are exempt from the requirements of CEQA. Adoption of Council Policy 5-1 and amendment to Council Policy 5-3 are ministerial because it implements the directives of SB 743 to modify local environmental review under CEQA for transportation analysis by removal of level of service (LOS) standard and implementation of Vehicle Miles Traveled (VMT) metric. Further, as directed by SB 743, Infill

Opportunity Zones (IOZs) are associated with reconciling the requirements of the regional congestion management program with the shift to VMT metric and is part of the adoption of this new Council Policy 5-1.

PUBLIC HEARING NOTIFICATION

- ❑ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
(Required: Website Posting)
- ☒ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. (Required: E-mail and Website Posting)
- ❑ **Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. (Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)

Staff began analyzing the shift from LOS to VMT in 2016, reviewing best practices and experiences, soliciting input from stakeholders, and conceptualizing policies based on State guidance, the General Plan, and initial input received.

City staff has held approximately 45 meetings with members of the community and other stakeholder groups. These meetings include two citywide topic-specific community meetings; numerous neighborhood meetings; sessions with developers, consultants, and advocates; and Study Sessions with the Planning Commission and City Council. City staff has also held multiple sessions with VTA and other cities, and are involved members of the VTA Joint Land Use Integration and Systems Operations Management Working Group on VMT. Staff also solicited input and released information and Policy drafts through the City website (www.sanjoseca.gov/vmt).

The following summarizes the primary feedback received to date:

Residents and Neighborhood Groups

- Questions on how VMT would impact future development.
- Desire for new development to invest in transportation improvements.
- Concerns about growth (e.g. parking, traffic, and new development).

Developers and Consultants

- Desire to not add cost, time, and complexity to the development review process.
- Concern about the appropriateness of setting a retail VMT threshold at no new net VMT and mechanisms to measure and address impacts from retail larger in size than the screening criteria.
- Suggestion to make neighborhood transportation improvements a more formal part of the review process.

- Suggestion to streamline financial contribution from development, including through an impact fee.

Community Stakeholders

- General support for a VMT-based Policy.
- Highlighted community considerations for new developments and the proposed VMT Policy.
- Questions on the level of investments by developers into transportation infrastructure under a VMT-based Policy.

City staff has taken this feedback into consideration in developing the final Transportation Analysis Policy. The City recognizes the importance of managing the transition from LOS to VMT thoughtfully and clearly. Staff will focus on communications and procedures to continue to facilitate development during the transition and avoid added cost, confusion, community concern, and unintended consequences.

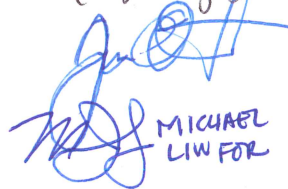
Project Managers:

Meenaxi Panakkal, Jared Hart, Jessica Zenk, and Karen Mack

Approved by:



Rosalynn Hughey, Acting Planning Director



Jim Ortbal, Director of Transportation



Jon Cicirelli, Acting Director of Public Works

Date:

February 7, 2018

Attachments:

- A) Proposed City Council Resolution approving General Plan Text Amendment GPT 17-009
- B) Proposed City Council Resolution Approving Amendments to Council Policy 5-3 and Approving a New Council Policy 5-1
 - 1. Council Policy 5-1 ("Transportation Analysis Policy")
 - 2. Amendments to Council Policy 5-3 ("Transportation Impact Policy")
- C) Proposed City Council Resolution designating Infill Opportunity Zones
- D) Supporting Details on Thresholds and Screening Criteria
- E) City website on the Transportation Analysis Policy, www.sanjoseca.gov/vmt. This website contains materials from previous community meetings, study sessions, and other public information.

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AMENDING THE ENVISION SAN JOSE 2040 GENERAL PLAN PURSUANT TO TITLE 18 OF THE SAN JOSE MUNICIPAL CODE TO ESTABLISH VEHICLE MILES TRAVELED AS THE CITY'S METRIC FOR ANALYSIS OF TRANSPORTATION IMPACTS ASSOCIATED WITH DEVELOPMENT PROJECTS CONSISTENT WITH STATE LAW

Winter 2018 General Plan Amendment Cycle (Cycle 1)

File No. GPT17-009

WHEREAS, the City Council is authorized by Title 18 of the San José Municipal Code and State law to adopt and, from time to time, amend the General Plan governing the physical development of the City of San José; and

WHEREAS, on November 1, 2011, the City Council adopted the General Plan entitled, "Envision San José 2040 General Plan, San José, California" by Resolution No. 76042, which General Plan has been amended from time to time (hereinafter the "General Plan"); and

WHEREAS, in accordance with Title 18 of the San José Municipal Code, all general and specific plan amendment proposals are referred to the Planning Commission of the City of San José for review and recommendation prior to City Council consideration of the amendments; and

WHEREAS, on February 7, 2018, the Planning Commission held a public hearing to consider the proposed text amendment to the General Plan to establish Vehicle Miles Traveled ("VMT") as the City's metric for analysis of transportation impacts associated with development projects consistent with State law, File No. GPT17-009, specified in

Exhibit “A” hereto (“General Plan Amendment”), at which hearing interested persons were given the opportunity to appear and present their views with respect to said proposed amendment; and

WHEREAS, at the conclusion of the public hearing, the Planning Commission transmitted its recommendations to the City Council on the proposed General Plan Amendment; and

WHEREAS, on February 27, 2018, the Council held a duly noticed public hearing; and

WHEREAS, a copy of the proposed General Plan Amendment is on file in the office of the Director of Planning, Building and Code Enforcement of the City, with copies submitted to the City Council for its consideration; and

WHEREAS, pursuant to Title 18 of the San José Municipal Code, public notice was given that on February 27, 2018 at 6:00 p.m., or shortly thereafter, in the Council Chambers at City Hall, 200 East Santa Clara Street, San José, California, the Council would hold a public hearing where interested persons could appear, be heard, and present their views with respect to the proposed General Plan Amendment (Exhibit “A”); and

WHEREAS, pursuant to California Public Resources Code Section 21080(b)(1) the proposed adoption of the General Plan Text Amendments is a ministerial action and pursuant to CEQA Guidelines Section 15268(a); ministerial actions are exempt from the requirements of CEQA. Adoption of the General Plan Text Amendments is ministerial because it implements the directives from State Senate Bill (“SB”) 743 to modify local environmental review processes by removing Transportation Level of Service (“LOS”) as a transportation analysis metric under the California Environmental Quality Act (“CEQA”) for VMT.

WHEREAS, the Council is the decision-making body for the proposed General Plan Amendment.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE:

SECTION 1. The Council's determinations regarding General Plan Text Amendment File No. GPT17-009 is hereby specified and set forth in Exhibit "A," attached hereto and incorporated herein by reference.

SECTION 2. This Resolution shall take effect thirty (30) days following the adoption of this Resolution.

ADOPTED this _____ day of _____, 2018, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk

TONI J. TABER, CMC
City Clerk

EXHIBIT A

File No. GPT17-009. Amendments of the General Plan to establish Vehicle Miles Traveled as the City's metric for analysis of transportation impacts associated with development projects consistent with State law, as follows:

1. The following sections of Chapter 1, entitled "Envision San José 2040," are amended as follows:

- a. "History of Planning in San José – the General Plan" section, (page 44) is amended to add the following after the second paragraph:

"Transportation Analysis Policy (2018)"

In 2013, the State of California passed Senate Bill 743 (SB 743), which eliminated automobile Level of Service (LOS) from transportation analysis under CEQA and replaced it with Vehicle Miles Traveled (VMT). This shift from LOS to VMT is intended to focus on the reduction of GHG emissions, the creation of multimodal networks, and the promotion of integrated land uses. The City Council adopted City Council Policy 5-1, entitled "Transportation Analysis Policy", on February 27, 2018. Council Policy 5-1 aligned the City of San José's transportation analysis with State law, and the major strategies, goals, and policies of the Envision San José 2040 General Plan. The new policy established VMT as the City's metric for CEQA transportation analysis. It also required development projects to conduct a Local Transportation Analysis (LTA) to analyze their conformance with the multimodal transportation strategies, goals, and policies in the General Plan and address adverse effects to the transportation system. The Transportation Analysis Policy supports implementation of the Envision San José 2040 General Plan by promoting dense, mixed use, infill projects in Planned Growth Areas, and focuses resources on the development of robust multimodal transportation networks envisioned in the General Plan."

- b. "Evolution of Planning Policy and Accomplishments of General Plans in San José" Table (page 45) is amended to add the following in the "Evolution of Policy" row, "2000's" column:

- **"Transportation Analysis Policy"**

2. The following sections of Chapter 6, entitled “Land Use and Transportation,” are amended as follows:

- a. Policy TR-1.4 is amended in its entirety to read as follows:

“Through the entitlement process for new development, ~~for projects~~ shall be required to fund or construct needed transportation improvements for all transportation modes giving first consideration to improvement of bicycling, walking and transit facilities and services that encourage reduced vehicle travel demand.

- Development proposals shall be reviewed for their impacts on all transportation modes through the study of Vehicle Miles Traveled (VMT), Envision San José 2040 General Plan policies, and other measures enumerated in the City Council Transportation Analysis Policy and its Local Transportation Analysis. Projects shall fund or construct proportional fair share mitigations and improvements to address their impacts on the transportation systems.
- The City Council may consider adoption of a statement of overriding considerations, as part of an EIR, for projects unable to mitigate their VMT impacts to a less than significant level. At the discretion of the City Council, based on CEQA Guidelines Section 15021, projects that include overriding benefits, in accordance with Public Resources Code 21081 and are consistent with the General Plan and the Transportation Analysis Policy 5-1 may be considered for approval. The City Council will only consider statement of overriding considerations for commercial or industrial projects, 100% deed-restricted affordable housing as defined in General Plan Policy IP-5.12, and market-rate housing within General Plan Planned Growth Areas. Such projects shall fund or construct multimodal improvements, which may include improvements to transit, bicycle, or pedestrian facilities, consistent with the City Council Transportation Analysis Policy 5-1.
- Area Development Policy. An “area development policy” may be adopted by the City Council to establish special transportation standards that identifies development impacts and mitigation measures for a specific geographic area. These policies may take other names or forms to accomplish the same purpose.”

- b. The first paragraph in the “Vehicular Circulation and Vehicle Miles Traveled” section (page 42) is amended to read as follows:

~~“Between 1980 and 2008, San José’s population increased by nearly 45 percent. A general trend nationwide has been that increases in automobile vehicle trips and trip length proceed at a higher rate than growth in population. This is due in part to changing lifestyles (the prevalence of two-income families and a greater percentage of non-work trips on a day-to-day basis) and increased reliance on the private automobile. Even with substantial increases in non-automobile mode shares expected in the years ahead, some increase in automobile travel in San José is expected. To this end, policies focus on maximizing efficiency of the existing street system and making minor capacity enhancements, without negatively affecting other modes.~~

Given that San Jose’s street network is largely built out and it is not feasible or desirable to make extensive new capacity improvements, policies focus on meeting transportation demand by maximizing the efficiency of the existing street system and making minor capacity enhancements, without adversely affecting other modes. In support of this, Vehicle Miles Traveled (VMT) goals and policies will improve transportation mode choice of all users, and help create a successful multimodal transportation network supporting the City’s sustainability goals. All relevant adopted policies promote improved operations strategies, expanded pedestrian, bicycle and transit systems, coupled with transportation demand management, and supported by traffic calming at the neighborhood level.”

- c. Policy TR-5.3 is amended in its entirety to read as follows:

~~“The minimum overall roadway performance during peak travel periods should be level of service “D” except for designated areas. How this policy is applied and exceptions to this policy are listed in the following bullets:~~

- ~~• Vehicular Traffic Mitigation Measures. Review development proposals for their impacts on the level of service and require appropriate mitigation measures if development of the project has the potential to reduce the level of service to “E” or worse. These mitigation measures typically involve street improvements.~~

~~Mitigation measures for vehicular traffic should not compromise or minimize community livability by removing mature street trees, significantly reducing front or side yards, or creating other adverse neighborhood impacts.~~

- ~~• Area Development Policy. An “area development policy” may be adopted by the City Council to establish special traffic level of service standards for a specific geographic area which identifies development impacts and mitigation measures. These policies may take other names or forms to accomplish the same purpose. Area development policies should be considered during the General Plan Annual Review and Amendment Process.~~
- ~~• Small Projects. Small projects may be defined and exempted from traffic analysis per the City’s transportation policies.~~
- ~~• Downtown. In recognition of the unique position of the Downtown as the transit hub of Santa Clara County, and as the center for financial, business, institutional and cultural activities, development within the Downtown is exempted from traffic mitigation requirements. Intersections within and on the boundary of this area are also exempted from the level of service “D” performance criteria.~~
- ~~• Special Strategy Areas. In recognition of the unique characteristics and particular goals of Special Strategy Areas, intersections identified as Protected Intersections within these areas, may be exempt from traffic mitigation requirements. Special Strategy Areas are identified in the City’s adopted General Plan and include Urban Villages, Transit Station Areas, and Specific Plan Areas.~~
- ~~• Protected Intersections. In recognition that roadway capacity-enhancing improvement measures can impede the City’s ability to encourage infill, preserve community livability, and promote transportation alternatives that do not solely rely on automobile travel, specially designated Protected Intersections are exempt from traffic mitigation measures. Protected Intersections are located in Special Planning Areas where proposed developments causing a significant LOS impact at a Protected Intersection are required to construct multimodal (non-automotive) transportation improvements in one of the City’s designated Community Improvement Zones. These multimodal improvements are referred to as off-setting improvements and include improvements to transit, bicycle, and/or pedestrian facilities.~~

- Development projects' effects on the transportation network will be evaluated during the entitlement process and will be required to fund or construct improvements in proportion to their impacts on the transportation system. Improvements will prioritize multimodal improvements that reduce VMT over automobile network improvements.
 - Downtown. Downtown San José exemplifies low-VMT, integrated land use and transportation development. In recognition of the unique position of the Downtown as the transit hub of Santa Clara County, and as the center for financial, business, institutional and cultural activities, projects shall support the long-term development of a world class urban transportation network.
- d. The first paragraph of the "Reduction of Vehicle Miles Traveled" section (page 50) is amended to read as follows:
- "As a means to reduce energy consumption, to reduce ~~green-house~~ greenhouse gas emissions and to create a healthier community, San José maintains a goal to reduce the number of vehicle miles traveled in the city by 40% per service population. Achieving this goal will require a multi-pronged strategy that includes both land use and transportation. This section includes the transportation goals, policies and actions that are intended to achieve an initial VMT reduction of 10% in Tier I, followed by a 20% reduction in Tier II, and ultimately a 40% reduction by 2040. All reductions are measured from the 2009 base year."
- e. The first paragraph of Goal TR-9 "Tier I Reduction of Vehicle Miles Traveled" (page 50) is amended to read as follows:
- "Reduce Vehicle Miles Traveled (VMT) by 10% per service population, from 2009 levels, as an interim goal."
- f. The second paragraph of Goal TR-9 "Tier I Reduction of Vehicle Miles Traveled", following Policy TR-9.2 (page 50) is amended to read as follows:
- "In addition to the policies above, the Balanced Transportation System, the Transportation Demand Management (TDM) and Parking Strategy policies below are intended to contribute to a 10%

VTM reduction. These policies are contained within their respective Balanced Transportation System, TDM and Parking sections of this Chapter and are repeated ~~here~~ to illustrate the City's overall transportation strategy to achieve Goal TR-9."

- g. Goal TR-10 is amended in its entirety to read as follows:

"Reduce vehicle miles traveled by an additional 10% per service population above Goal TR-9 (a 20% reduction as measured from 2009), at a later date to be determined by the City Council, based on staff analysis of the City's achieved and anticipated success in reducing VMT.

Actions – Tier II Vehicle Miles Traveled Reduction

TR-10.1 Explore development of a program for implementation as part of Tier II, to require that parking spaces within new development in areas adjacent to transit and in all mixed-use projects be unbundled from rent or sale of the dwelling unit or building square footage.

TR-10.2 In Tier II, reduce the minimum parking requirements citywide.

TR-10.3 Encourage participation in car share programs for new development in identified growth areas.

TR-10.4 In Tier II, ~~require that a portion of~~ establish criteria that could allow a portion of adjacent on-street and City owned off-street parking spaces be counted toward meeting the zoning code's parking space requirements.

TR-10.5 Work with employers in Tier II to monitor employer achievement of TDM program measures and explore incentives for successes and/or consider penalties for non-compliance.

TR-10.6 Working with members of the development and financial communities, and neighborhood residents, establish, in Tier II, citywide parking standards in the Zoning Code which establish maximum parking rates, or "parking caps" for new development.

TR-10.7 Strengthen the VMT thresholds in the Council Policy 5-1 Transportation Analysis Policy in line with the Tier II VMT reduction goals.”

- h. Goal TR-11 is amended to read as follows:

“Reduce VMT an additional 20% per service population above Goals TR-9 and TR-10 (a total reduction of 40% as measured from 2009) by participating and taking a leadership role in on-going regional and statewide efforts to reduce VMT.”

3. The following sections of Chapter 7, entitled “Implementation,” are amended as follows:

- a. The first paragraph in the “Land Use Entitlement Process” section (page 21) is amended to read as follows:

“The primary elements of the Development Review process include: specific plans, zoning, subdivision, environmental review, annexation, site and architectural review, building permits and citizen participation. In addition, the City Council Transportation Analysis Policy for transportation, and Level of Service policies for sewers and the Regional Wastewater Facility implement those same policies in the Envision San José 2040 General Plan and control the rate and amount of new development which is allowed. Community engagement and citizen participation components of the Development Review process include public hearings which are incorporated into all those phases of the process that involve the issuance of discretionary permits by the City. Community meetings are also a vehicle for public participation and are held whenever warranted by the nature of a project or the level of public interest.”

- b. Policy IP-12.4 is amended in its entirety to read as follows:

“Use the Environmental Clearance process to facilitate the implementation of the facilities and services goals and policies of the Envision San José 2040 General Plan. The review of proposed development includes the analysis of the project’s compliance with the General Plan’s Level of service policies for transportation VMT requirements as specified in the City Council's Transportation

Analysis Policy, and level of service policies for sanitary sewer and Regional Wastewater Facility capacity.”

- c. Policy IP-15.1 is amended in its entirety to read as follows:

“Require new development to construct and dedicate to the City all public improvements directly attributable to the site. This includes neighborhood or community parks and recreation facilities, sewer extensions, sewer laterals, transportation network ~~street~~ improvements, sidewalks, street lighting, fire hydrants and the like. In the implementation of the City Council Transportation Analysis Policy for transportation, and level of service policies for ~~transportation~~, sanitary sewers, and neighborhood and community parks, development is required to finance improvements to nearby intersections or downstream sewer mains in which capacity would be exceeded, and dedicate land, pay an in lieu fee or finance improvements for parks and recreation needs which would result from the development.”

Council District: Citywide. CEQA: Pursuant to Section 21080(b)(1) the proposed adoption of the General Plan Text Amendments and a City Council Transportation Analysis Policy is a ministerial action and pursuant to CEQA Guidelines 15268(a); ministerial actions are exempt from the requirements of CEQA.

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING AMENDMENTS TO CITY COUNCIL POLICY 5-3, ENTITLED “TRANSPORTATION IMPACT POLICY” AND APPROVING A NEW CITY COUNCIL POLICY 5-1, ENTITLED “TRANSPORTATION ANALYSIS POLICY” TO UPDATE TRANSPORTATION ANALYSIS REQUIREMENTS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT PURSUANT TO SENATE BILL 743 AND ENVISION SAN JOSE 2040 GENERAL PLAN AND DELEGATING AUTHORITY TO THE CITY MANAGER OR DESIGNEE TO PROMULGATE GUIDELINES TO IMPLEMENT POLICY 5-1

WHEREAS, the California Environmental Quality Act (CEQA) was enacted by the State of California in 1970 to ensure the long-term protection of the environment and requires public agencies to analyze and disclose the effects of their actions on the environment; and

WHEREAS, the California Office of Planning and Research develops the CEQA Guidelines to interpret CEQA statutes and published court decisions, including several appendices to the CEQA Guidelines that contain forms and guidance for lead agencies when performing environmental review; and

WHEREAS, in order to carry out their mandate under CEQA, public agencies are encouraged to develop standards and procedures necessary to evaluate their actions including thresholds of significance; and

WHEREAS, thresholds of significance are identifiable quantitative, qualitative or performance level measures of a particular environmental effect, non-compliance with which means the effect will normally be determined to be significant, and compliance with which means the effect normally will be determined to be less than significant; and

WHEREAS, in circumstances where public agencies decide to develop their own thresholds of significance for general use, the CEQA Guidelines provide that thresholds of significance must be formally adopted through a public review process and supported by substantial evidence; and

WHEREAS, the City of San José, as a lead agency on certain projects, implements CEQA pursuant to Title 21 of the San José Municipal Code; and

WHEREAS, in 1978, the San José City Council first established a Transportation Level of Service Policy (“Council Policy 5-3”) to meet CEQA requirements and enable the City to require that new development include mitigation measures to reduce its transportation impacts and to conform to the Horizon 2000 General Plan. This policy addressed impacts to Level of Service (“LOS”) at signalized intersections and required mitigation, typically in the form of expanded roadways and intersections, to accommodate estimated increases in vehicular traffic associated with new development; and

WHEREAS, in 1987, the City Council adopted City Council Policy 5-4 to establish “alternate” traffic mitigation measures allowed under the Horizon 2000 General Plan; and

WHEREAS, in 2002, the City Council adopted amendments to the San José 2020 General Plan to allow flexibility in the San José 2020 General Plan’s vehicular traffic and transportation policies to support multi-modal transportation goals and smart growth land use principles; and

WHEREAS, in 2005, in alignment with the changes to the San José 2020 General Plan, the City Council adopted a new Multi-Modal Transportation Policy 5-3, consolidating the two previous Council Policies (Council Policy 5-3, “Transportation LOS,” and Council

Policy 5-4, “Alternate Traffic Mitigation Measures”) into a single Council Policy 5-3 entitled “Transportation Impact Policy” (the “Policy”) (Resolution No. 72765.1); and

WHEREAS, pursuant to the Policy, LOS is utilized to measure automobile delay at intersections and is represented as a letter grade A through F. LOS A represents little to no automobile delay, while LOS F represents congested conditions with substantial amounts of automobile delay. Under the Policy, a development project causing the LOS at signalized intersections to degrade below the LOS D standard represents a significant impact under CEQA. The Policy also includes exemptions for 1) the Downtown area, in recognition of the unique position of the Downtown as the transit hub of Santa Clara County and as the City’s center of financial, business, institutional and cultural activities, and 2) small, infill projects; and

WHEREAS, the Policy is still in effect today and provides a process for the analysis and consideration of the overall conformance of a proposed development with the City’s General Plan smart growth and multi-modal transportation policies. It is also used as the environmental analysis threshold of significance and as a tool for transportation planning and operational analysis; and

WHEREAS, in 2011, the City Council adopted the Envision San José 2040 General Plan to guide growth and investment in San José. The 2040 General Plan continued the evolution of longstanding growth management and environmental sustainability policies, and established an updated framework to enhance job growth and create great places; and

WHEREAS, the 2040 General Plan aims to transform San José from a City built around automobile use to one that prioritizes people. It recognizes that access (being able to get to the things you need) is a function of two things, mobility and proximity; and

WHEREAS, in 2013, the State of California Legislature passed and Governor Brown signed Senate Bill 743 (Steinberg). Senate Bill 743 directs the California Office of Planning and Research to produce new CEQA guidance for cities that removes automobile LOS from transportation analysis under CEQA and replaces it with Vehicles Miles Travelled (VMT), or another measure that “promote[s] the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses.” The intent of this change is to shift the focus of transportation analysis from driver delay to the reduction of GHG emissions, creation of multimodal networks, and promotion of integrated land uses; and

WHEREAS, VMT measures the amount and distance people drive, taking the number of passengers within a vehicle into account. Typically, development at a greater distance from other uses, located in areas with poor access to non-auto modes of travel, generates more driving than one that is located proximate to other complementary uses and/or where there are transportation options other than the automobile. The information used to calculate VMT is already required to calculate and factor LOS impacts and air quality and greenhouse gases (GHG) emissions; and

WHEREAS, the California Office of Planning and Research published a preliminary evaluation of possible metrics to replace LOS in CEQA transportation analyses in December 2013, invited public comment on that evaluation, and used those comments to develop the Preliminary Discussion Draft of Updates to the CEQA Guidelines Implementing Senate Bill 743, released in August 2014. On January 20, 2016, California Office of Planning and Research released a revised proposal for changes to the CEQA Guidelines to implement Senate Bill 743; and

WHEREAS, the California Office of Planning and Research submitted the proposed guidelines to the California Natural Resources Agency in late 2017 to commence the

formal rulemaking process and recommends all public agencies be in compliance with SB 743 by January 1, 2020; and

WHEREAS, the existing LOS CEQA significance criteria in the Policy are not aligned with Senate Bill 743 and other City plans, ordinances, and policies related to transportation, including, among others, the Transportation Element of the General Plan, Greenhouse Gas Reduction Ordinance, Downtown Strategy, and other specific plans and policies; and

WHEREAS, the City is updating the Policy to bring the City of San José's transportation analysis in line with State and City goals as directed in Senate Bill 743 and the Envision San José 2040 General Plan; and

WHEREAS, the City proposed to adopt a new San José City Council Policy 5-1, entitled "Transportation Analysis Policy" ("Policy 5-1") that establishes:

- 1) The transportation analysis framework for proposed developments, land use plans, and transportation projects in the City of San José;
- 2) VMT based analysis for transportation impacts under CEQA; and
- 3) The requirement that projects perform Local Transportation Analysis to analyze their conformance with the multimodal transportation strategies, goals, and policies in the General Plan and address negative effects found in that analysis to the transportation system.

WHEREAS, the City proposes to also amend the existing Policy to provide "pipeline" criteria for certain existing and future projects; and

WHEREAS, on August 23, 2017, the Planning Commission for the City of San José (“Planning Commission”) held a Study Session to review the proposed Policy 5-1; and

WHEREAS, prior to the Study Session for the City of San José Planning Commission, outreach efforts were conducted with community groups, developers, and other jurisdictions; and

WHEREAS, on October 6, 2017, the City Council held a Study Session to review the proposed Policy 5-1; and

WHEREAS, prior to the Study Session for the City Council, outreach efforts were continued with community groups, developers, and other jurisdictions; and

WHEREAS, pursuant to California Public Resources Section 21080(b)(1) and CEQA Guidelines 15268(a), the City Council adoption of the General Plan Text Amendments, Policy 5-1, and Policy 5-3 amendment is a ministerial action; ministerial actions are exempt from the requirements of CEQA. Adoption of Policy 5-1 and amendment to Policy 5-3 are ministerial because it implements the directives from SB 743 to modify local environmental review processes by removing Transportation LOS as a CEQA transportation analysis metric for VMT; and

WHEREAS, the City Council of the City of San José is the decision-making body for this Resolution and has considered the environmental clearance described above prior to taking any action on this Resolution; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. The recitals above are incorporated herein as findings for the amendment of City Council Policy 5-3 (Exhibit "A") and adoption of City Council Policy 5-1 (Exhibit "B").
2. City Council Policy 5-1, entitled "Transportation Analysis Policy", as set forth in Exhibit "A," is hereby adopted.
3. City Council Policy 5-3, entitled "Transportation Impact Policy", is hereby amended as set forth in Exhibit "B".
4. The City Manager or designee is authorized to promulgate guidelines necessary to implement the requirements of City Council Policy 5-1. The guidelines shall be published on the City's website.
5. This Resolution shall be effective immediately upon adoption by the City Council.

ADOPTED this _____ day of _____, 2018, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk

City of San José, California

COUNCIL POLICY

TITLE	PAGE	POLICY NUMBER
Transportation Analysis Policy	1 of 15	5-1
EFFECTIVE DATE	REVISED DATE	

APPROVED BY COUNCIL ACTION**BACKGROUND**

This Council Policy 5-1, "Transportation Analysis Policy" ("Policy"), will replace the existing Council Policy 5-3, "Transportation Impact Policy" as the Policy for transportation development review in the City of San José ("City"). This Policy aligns the City's transportation analysis with California Senate Bill 743 (SB 743) and the City's goals as set forth in the City's Envision San José 2040 General Plan ("General Plan"). This Policy establishes the thresholds for transportation impacts under the California Environmental Quality Act ("CEQA"), removing transportation *Level of Service ("LOS")* and replacing it with *Vehicle Miles Traveled ("VMT")*. Appendix A defines terms in this Policy noted in *Italics*.

The City's General Plan sets forth a vision and comprehensive road map to guide the City's continued growth through the year 2040. The General Plan strategically links land use and transportation to reduce the environmental impacts of growth by promoting compact mixed-use development that supports walking, biking and transit use. The General Plan seeks to focus new developments in Planned Growth Areas, bringing together office, residential, and service land uses to *internalize trips* and reduce *VMT*. The General Plan also encourages the development and use of non-automobile transportation modes to minimize vehicle trip generation and reduce *VMT*.

APPLICABILITY OF POLICY (PIPELINE PROVISIONS)

This Policy is effective thirty (30) days after approval by the City Council ("Effective Date"). Any proposed development project (including adjustments or amendments to existing projects) with a complete Universal Planning Application on file with the Department of Building, Planning, and Code Enforcement on or after the Effective Date shall comply with this Policy, except for the following:

1. **Interim Period:** The City may determine in writing that a proposed project with a complete Universal Planning Application and an approved transportation work scope issued by the Department of Public Works prior to the Effective Date can (a) proceed with transportation analysis and comply with the existing Council Policy 5-3, provided that a final transportation work scope was issued by the Department of Public Works within one year prior to the Effective Date of this Policy; or (b) proceed with CEQA transportation analysis under VMT and comply with this Policy. Prior written approval from the Public Works Director is required to determine compliance with existing Council Policy 5-3 or this Policy. For example, if a project submits a complete Universal Planning Application prior to the Effective Date, the project applicant may proceed with traffic analysis under existing City Council Policy 5-3 or with prior written approval from the Public Works Director to proceed under this Policy.
2. **Subsequent Reviews:** The City may determine in writing that subsequent discretionary approval(s) required for a project approved prior to the Effective Date may continue to be analyzed under the prior environmental clearance and existing City Council Policy 5-3 after the Effective Date; provided

there is no Substantial Change to the project, as defined in California Public Resources Code Section 21166 and CEQA Guidelines Sections 15162-15164.

For example, if the City approved an environmental impact report (EIR) or mitigated negative declaration (MND) for a project prior to the Effective Date, the City may determine that subsequent discretionary approvals required after the Effective Date may continue to be analyzed under the previously approved environmental impact report or mitigated negative declaration for the project if there is no Substantial Change.

In such instances, the City may determine that the proposed project is consistent with the previously approved environmental clearance (use of a previously certified EIR/MND). If the proposed project is still within the scope of and fully evaluated in the previously approved environmental clearance and only minor technical changes have been made to the proposed project and there are no Substantial Changes, an addendum to the previously certified EIR/MND may be adequate as defined in CEQA Guidelines Section 15164.

3. Subsequent Review for Projects in Existing Area Development Policies (ADPs) and Transportation Development Policies (TDPs): The City may determine in writing that a proposed project be analyzed under the previously approved environmental clearance for the ADPs/TDPs and City Council Policy 5-3 if there is No Substantial Change, as defined in California Public Resources Code Section 21166 and CEQA Guidelines Sections 15162-15164. To be eligible for this determination, the proposed project that submits a complete Universal Planning Application after the Effective Date of this Policy must be located within an existing ADP or TDP area.

For example, if a new project located within the North San José ADP submits a complete Universal Planning Application after the Effective Date, the City may determine that the project be analyzed under the previously approved North San José ADP EIR, if the proposed project is consistent with the previously approved EIR. If the proposed project is within the scope and fully evaluated in the previously approved EIR and only minor technical changes have been made to the proposed project and there are no Substantial Changes, an addendum to the previously approved EIR may be adequate as defined in CEQA Guidelines Section 15164.

Existing ADPs and TDPs include the Evergreen-East Hills Development Policy, North San José Area Development Policy, Edenvale Area Development Policy, US-101/Oakland/Mabury Transportation Development Policy, and I-280/Winchester Boulevard Interchange Transportation Development Policy.

All projects located within an existing ADP or TDP area shall continue to be subject to any traffic impact fees adopted by the City Council. Adoption of this Policy does not negate, supersede, or otherwise modify existing requirements or permit conditions.

PURPOSE

This Policy establishes:

- 1) VMT as the metric to measure transportation environmental impacts in conformance with CEQA.
- 2) The Transportation Analysis framework for proposed developments, land use plans, transportation projects, and any other plans or developments (collectively “Projects” in this Policy) in the City.
- 3) The requirement that Projects perform Local Transportation Analysis (LTA) to demonstrate conformance with multimodal transportation strategies, goals, and policies in the General Plan and address adverse effects to the transportation system.

POLICY

San José is establishing *VMT* as the metric for CEQA transportation analysis to foster a more sustainable and vibrant city. *VMT*-based policies support dense, mixed-use, infill Projects as established in the

General Plan's Planned Growth Areas. By establishing a transportation system which encourages improved land uses with viable transportation options, this Policy provides resources to develop a robust multimodal transportation network as envisioned in the General Plan. Projects consistent with this Policy will reduce the City's environmental footprint from transportation and land uses, and create lively places served by a variety of transportation options.

Transportation Analysis Framework

A Transportation Analysis (TA) for a proposed Project provides information the City must have to inform the CEQA environmental review and decision-making processes. Projects that need transportation evaluation must prepare a TA report consisting of a CEQA VMT evaluation and/or LTA. Sections I and II below describe the Policy provisions guiding the VMT evaluation and LTA. Appendix B, "Policy Implementation Procedures" provides implementation details.

Detailed methodologies and requirements are explained in the City's *Transportation Analysis Guidelines*. TA's must comply with relevant professional standards and the methodology included within the City's *Transportation Analysis Guidelines*, which can be found on the Department of Public Works Development Services website. Appendix C presents a flow chart of the TA process.

I. Vehicle Miles Traveled CEQA Transportation Analysis

In accordance with CEQA, all proposed Projects are required to analyze transportation as a component of environmental review. This Policy establishes:

- 1) screening criteria under which Projects are not required to submit detailed VMT analysis;
- 2) thresholds for identifying transportation environmental impact;
- 3) requirements for Projects to mitigate significant transportation impacts; and
- 4) the City's mechanism for reviewing Projects with significant and unavoidable impacts, all under CEQA.

Projects that do not meet the screening criteria are required to prepare a detailed VMT analysis and identify potential transportation impacts and propose mitigations and/or improvements.

A. Project Screening Criteria

The requirements to prepare a detailed VMT analysis applies to all Projects except the following types of Projects because the City Council finds, as documented in the administrative record for this Policy that these Projects will further City goals and policies and will not result in significant transportation impacts:

1. Small Infill Projects
2. Local-Serving Retail
3. Local-Serving Public Facilities
4. Transit Supportive Projects in Planned Growth Areas with Low VMT and High Quality Transit
5. Restricted Affordable, Transit Supportive Residential Projects in Planned Growth Areas with High Quality Transit
6. Transportation Projects that reduce or do not increase VMT

These screening criteria are further defined and explained in Appendix B.

B. Vehicle Miles Traveled CEQA Transportation Thresholds of Significance

Projects that do not meet the above screening criteria must include a detailed evaluation of the VMT produced by the Project. The thresholds of significance used to measure VMT are described by Project type in Table 1. Projects that have a significant VMT must include feasible mitigation measures which will avoid or substantially lessen such significant effects.

Table 1 - Project Type and VMT Thresholds of Significance¹

Project Types (as categorized in the General Plan)	Threshold for Determination of Significant Transportation Impact
Residential Uses	VMT per resident greater than the more stringent of the following thresholds: 1) 15 percent below the Citywide per resident VMT, OR 2) 15 percent below regional VMT per resident.
General Employment Uses (e.g. office, R&D)	VMT per employee greater than 15 percent below existing regional VMT per employee.
Industrial Employment Uses (e.g. warehouse, manufacturing and distribution uses)	VMT per employee greater than existing regional VMT per employee.
Retail Uses (Including Hotel)	A net increase in the total existing VMT for the region.
Public/Quasi-Public Uses	Public/Quasi-Public land use projects will be analyzed using the most relevant threshold as determined by Public Works Director for the proposed use on the site from the enumerated project types in this Table 1.
Mixed-Uses	Each land use component of a mixed-use project will be analyzed independently, applying the significance threshold for each land use component from the enumerated project types in this Table 1.
Change of Use or Additions to Existing Development	Changes of use or additions to existing development will be analyzed applying the significance threshold for each land use component from the enumerated project types in this Table 1.
Urban Village, Station Area Plans, Development Policy, Specific Strategy or Other Area Plans	Each land use component will be analyzed independently, applying the significance threshold for each land use component from the enumerated project types in this Table 1.
General Plan Amendments	General Plan Amendments will be analyzed in conformance with the General Plan's definition of VMT. An increase in City total VMT is a significant transportation impact.
Transportation Projects	Net increase in VMT greater than that consistent with the Regional Sustainable Communities Strategy.

¹ For the Purposes of this Policy, the region is the Bay Area's Metropolitan Planning Organization's boundaries.

C. Less than Significant Impact with Mitigation

If a Project is found to have a significant impact on *VMT*, the impact must be reduced by modifying Project *VMT* to an acceptable level (below the established thresholds of significance applicable to the Project) and/or mitigating the impact through multimodal transportation improvements, or establishing a *Trip Cap*.

D. Significant and Unavoidable Impacts

If a Project cannot fully mitigate its impacts on *VMT*, the Project applicant may:

- i. Propose to modify the Project such that the impacts on *VMT* can be mitigated to a less than significant level;
- ii. Relocate the Project to a low *VMT* site; or
- iii. Request the City Council to adopt a Statement of Overriding Considerations for the significant impact on *VMT* as part of an EIR certification.

When significant impacts are unavoidable, a detailed statement of overriding considerations in addition to findings are required as defined in CEQA Guidelines Sections 15191 and 15193. Based on the General Plan and State CEQA Guidelines, this Policy finds that benefits of certain projects may outweigh the unavoidable significant impacts on *VMT* and could be considered acceptable in certain circumstances as outlined below:

- i. The Project is consistent with the 2040 General Plan and demonstrates overriding benefits in accordance with Public Resources Code Section 21081(a)(3) and CEQA Guidelines Section 15091(a)(3); *and*
- ii. The Project mitigates its *VMT* impacts to the maximum extent feasible per the City's *VMT* Evaluation Tool; *and*
- iii. The Project is either:
 - a. 100% affordable residential project, or
 - b. The Project is commercial, industrial, or market rate housing within City Planned Growth Areas, and constructs or funds multimodal transportation improvements as detailed in Appendix B.

A statement of overriding considerations may also be warranted in certain other circumstances such as Projects' impacts on other jurisdictions facilities (e.g., freeway impacts) that are not measured with *VMT* metric.

II. Local Transportation Analysis

The following section establishes the City's LTA requirements. All Projects may be required to submit an LTA as determined by the Public Works Director. Land use and area plans typically do not have sufficient detail to conduct an LTA and therefore, may not be required to perform one until a specific development Project application is filed consistent with the land use or area plan. An LTA analyzes the effects of a Project on transportation, access, circulation, and related safety elements proximate to the Project and establishes consistency with the General Plan or other City requirements. An LTA proposes improvements to address adverse effects identified in the analysis. Components of an LTA are discussed in the City's Transportation Analysis Guidelines and include, but are not limited to:

- Local operational analysis, including safety and signalized intersection *level of service*
- Site access and circulation analysis
- Local neighborhood effects analysis
- Local multimodal analysis
- Compliance with the County's Congestion Management Program

LTAs provide additional information to evaluate transportation conditions proximate to a Project and supplements the *VMT* analysis. LTAs implement the multimodal vision of the City's General Plan. The General Plan directs new development to help build out the inter-connected, multimodal transportation networks needed to fulfil its vision. The following General Plan Policies guide the implementation of LTAs:

CD-3.3 - Within new development, create and maintain a pedestrian-friendly environment by connecting the internal components with safe, convenient, accessible, and pleasant pedestrian facilities and by requiring pedestrian connections between building entrances, other site features, and adjacent public streets.

LU-9.1 - Create a pedestrian-friendly environment by connecting new residential development with safe, convenient, accessible, and pleasant pedestrian facilities. Provide such connections between new development, its adjoining neighborhood, transit access points, schools, parks, and nearby commercial areas.

PR-8.5 - Encourage all developers to install and maintain trails when new development occurs adjacent to a designated trail location. Use the City's Parkland Dedication Ordinance and Park Impact Ordinance to have residential developers build trails when new residential development occurs adjacent to a designated trail location, consistent with other parkland priorities. Encourage developers or property owners to enter formal agreements with the City to maintain trails adjacent to their properties.

TR-1.2 - Consider impacts on overall mobility and all travel modes when evaluating transportation impacts of new developments or infrastructure projects.

TR-1.4 - Through the entitlement process for new development, fund needed transportation improvements for all transportation modes, giving first consideration to improvement of bicycling, walking and transit facilities. Encourage investments that reduce vehicle travel demand.

TR-2.8 - Require new development where feasible to provide on-site facilities such as bicycle storage and showers, provide connections to existing and planned facilities, dedicate land to expand existing facilities or provide new facilities such as sidewalks and/or bicycle lanes/paths, or share in the cost of improvements.

An LTA must identify the existing condition of pedestrian, bicycle, transit and vehicular transportation systems and facilities that would serve, or may be affected by, the proposed Project. Further analysis of site design and access, neighborhood traffic issues, local transportation safety and other area transportation issues may also be studied as specified in the City's Transportation Analysis Guidelines and as determined by the City staff. The Project applicant must complete the proposed LTA prior to, or in conjunction with, the Project's environmental review requirements.

**APPENDIX A
TO CITY COUNCIL POLICY 5-1
DEFINITIONS OF TERMS**

Term	Definition
High Quality Transit Areas	High quality transit areas are within one half mile of a <i>high quality transit corridor</i> or <i>major transit stop</i> .
High Quality Transit Corridor	Pub. Resources Code § 21155 (b), as may be amended: “A high-quality transit corridor means a corridor with fixed route bus service with service intervals no longer than 15 minutes during peak commute hours”.
Internalized trips	Are trips that occur within a Project area whereas they would normally begin or end at further locations outside the Project area.
Level of Service (LOS)	Is a measure of automobile delay through a roadway facility, graded on a scale A through F.
Major Transit Stop	Pub. Resources Code § 21064.3, as may be amended: “Major transit stop’ means a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods”.
Planned Growth Areas	Areas designated in the City’s General Plan to accommodate certain growth expected in the General Plan’s horizon.
Transportation Demand Management (TDM)	Strategies to incentivize the more efficient use of existing transportation infrastructure through modal change particularly the encouragement of pedestrian, bike, and transit use.
Trip Cap	A maximum number of vehicle trips that a Project can generate on any given day.
Vehicle Miles Traveled (VMT)	As used in this Policy, a measure of the amount of automobile travel associated with a Project. <i>VMT</i> is measured by multiplying the total vehicle trips by the average distance of those trips, adjusted for the number of people in the vehicles. For residential and employment land uses, <i>VMT</i> is measured for each person who will occupy or use a Project. For large retail and transportation Projects, the net amount of <i>VMT</i> is measured.

**APPENDIX B
TO CITY COUNCIL POLICY 5-1
POLICY IMPLEMENTATION PROCEDURES**

The Project applicant² must submit a Transportation Analysis (TA) that identifies:

- 1) Potential transportation impacts as defined in the *VMT* section of this Policy and adverse effects on nearby transportation facilities as identified by the LTA section of this Policy.
- 2) Mitigations for significant impacts found in the *VMT* analysis and improvements to address adverse effects identified in the LTA analysis. This may include impacts and adverse effects on any multimodal transportation facility (e.g., pedestrian facilities, transit stops, transit reliability, sidewalks, bicycle lanes, roadways, and roadway capacity, etc.).

Both the *VMT* analysis and LTA must comply with professional standards and the methodology included in the City's Transportation Analysis Handbook. TAs must be prepared by a qualified traffic engineer to the satisfaction of the Director of Public Works.

The City's Transportation Analysis Handbook has instructions and procedures to prepare a TA, including the criteria for determination of significance of transportation impacts and to evaluate the effectiveness of mitigation measures. The City's Department of Transportation maintains this Handbook and posts it to the City Public Work's Development Services website. The Handbook is updated on a periodic basis to include evolving industry best practices.

CEQA VMT Implementation Procedures

CEQA Guidelines Section 15126.2 requires that environmental documents determine significant or potentially significant impacts as part of environmental review, including assessment of traffic and transportation effects. The CEQA VMT Implementation Procedures include the following determinations:

- **Project Screening Criteria**
- **CEQA VMT Transportation Thresholds of Significance**
- **Less than Significant with and without Mitigation/s**
- **Significant and Unavoidable Impacts**

These determinations are further explained below.

A. Project Screening Criteria

The requirement to perform detailed *VMT* analysis applies to all Projects except the types of Projects that meet the following screening criteria because the Council finds that these Projects will not result in significant transportation impacts and will advance other City goals and policies:

1. **Small Infill Projects:** The City Council finds that these Projects, individually and cumulatively, will not result in significant impacts on the transportation system and will conform to the City's General Plan, and other City goals and policies:
 - a. All office buildings of 10,000 square feet of gross floor area or less
 - b. All industrial buildings of 30,000 square feet of gross floor area or less

² For this Policy, the term "applicant" refers to the individual or entity that has requested an entitlement or discretionary development approval from the City of San José.

- c. All single-family detached residential Projects of 15 or fewer dwelling units
- d. All single-family attached or multi-family residential Projects of 25 or fewer units

In no case shall any of these above types of small infill Projects meet the screening criteria if they are increments of a larger Project or “site” as defined in Chapter 20.200 of the San José Municipal Code.

2. **Local-Serving Retail:** Local-serving retail typically diverts existing trips from established local retail to new local retail without measurably increasing trips outside of the area. In recognition of this effect, retail commercial Projects up to a combined total of 100,000 gross square feet meet the City’s screening criteria. This criterion is not applicable to hotels/motels, given disparate and context-specific travel patterns, or Projects that contain drive-through retail as defined in City Council Policy 6-10 “Criteria for the Review of Drive-through Uses”, due to the high auto-traffic volume associated with this type of Project.

In no case shall a Project meet the screening criteria if it is an increment of a larger Project or “site” as defined in Chapter 20.200 of the San José Municipal Code

3. **Local-Serving Public Facilities:** Local-serving public facilities either produce very low VMT or divert existing trips from established local facilities to new local facilities without measurably increasing trips outside of the area. For these reasons, they meet the City’s screening criteria. These facilities must be publicly owned or controlled; this does not include schools, public or private. Examples of these Projects are:

- a. Branch Library
- b. Community Center
- c. Fire station
- d. Pumping station
- e. Passive Parks

4. **Transit Supportive Projects in *Planned Growth Areas* with Low VMT and High Quality Transit:** In accordance with State Law and the City’s General Plan, proposed transit supportive Projects within City Planned Growth Areas, that have VMT below the threshold applicable to the Project’s land use, and located near *high-quality transit* meet the City’s screening criteria.

Residential and commercial Projects, as well as mixed-use Projects which are a mix of these above enumerated uses, meet the screening criteria if they meet all the following minimum criteria (a through f):

- a. Located within a Planned Growth Area as defined in the General Plan
- b. Located within ½ mile of an existing *major transit stop* or a stop along a *high quality transit corridor*
- c. The Project area VMT, as defined by the City’s Transportation Model, is less than or equal to the CEQA VMT threshold for the proposed land use(s)
- d. Provides a transit-supporting Project density, measured as:
 - i. A minimum Floor Area Ratio (FAR) of 0.75 for commercial Projects, or commercial portions of a mixed-use Project, based on gross floor area;
 - ii. A minimum of 35 dwelling units per acre for residential Projects³, or residential portions of a mixed-use Project; or

³ 35 units per acre is derived from the California State Office of Planning and Research’s suggested FAR of 0.75.

- iii. If the Project is in a Planned Growth Area that has a maximum density below 0.75 FAR or 35 dwelling units per acre, the Project must meet the maximum density allowed in the Planned Growth Area.
- e. Provides a minimal amount of parking:
 - i. Propose no greater than the minimum number of parking spaces required by Title 20 of the San José Municipal Code (the Zoning Code).
 - ii. For Projects in Urban Villages, Downtown or other areas that allow for lowered parking rates:
 - The number of parking spaces proposed must be adjusted to the lowest amount allowed by Zoning Code. For example, in an Urban Village a 50% off-street parking reduction is allowed by Municipal Code Section 20.90.220, if a Project meets certain geographic and transportation demand management criteria. All actions required by the Zoning Code to reduce parking requirements must still be carried out. For example, if a Transportation Demand Management plan is required to lower parking requirements it must still be completed; or
 - The proposed number of parking spaces can be up to the general zoned minimum without the further reduction to Urban Villages, Downtown or other areas, if the parking provided is shared and publicly available and/or “unbundled” as defined in Chapter 20.200 of the Zoning Code.
- f. Does not adversely affect pedestrian, bike, or transit infrastructure. For example, sidewalk widths cannot be reduced below the City’s Complete Streets standard; bike lanes cannot be altered to reduce their accessibility or size beyond the City’s Complete Streets standard.

5. Restricted Affordable, Transit Supportive Residential Projects in *Planned Growth Areas with High Quality Transit*: Residents of affordable residential Projects typically have a lower VMT footprint than residents in market rate residential Projects. This pattern is particularly evident in affordable residential Projects near transit.⁴ In recognition of this effect, and in accordance with State Guidelines and the City’s General Plan, proposed transit supportive, restricted, affordable housing Projects within City Planned Growth Areas, that are near *high quality transit*, meet the City’s screening criteria.

Affordable residential Projects, as well as affordable residential portions of mixed-use Projects, meet the screening criteria if the Project meets **all** the following minimum criteria (a through g):

- a. Provide 100% restricted affordable units, excluding unrestricted manager units, at or below income levels as defined in General Plan Policy IP-5.12. Affordability restrictions must be recorded and extend for a minimum of 55 years for rental homes or 45 years for for-sale homes
- b. Located within a Planned Growth Area as defined in the General Plan
- c. Located within ½ mile of an *existing major transit stop* or a stop along *high quality transit corridor*
- d. A minimum of 35 dwelling units per acre
 - i. If the Project is in a Planned Growth Area that has a maximum density below 35

⁴ Newmark and Hass, “Income, Location Efficiency, and VMT: Affordable Housing as a Climate Strategy”, The California Housing Partnership, 2015.

dwelling units per acre, the Project must meet the maximum density allowed in that Planned Growth Area.

- ii. Projects that are proposed in areas where VMT is above the CEQA Threshold for Determination of Significant Transportation Impact must include a TDM plan approved by the Public Workers Director as part of their LTA.

e. Provides a minimal amount of parking:

- i. Propose no greater than the minimum number of parking spaces required by Title 20 of the San José Municipal Code (the Zoning Code).
- ii. For Projects in Urban Villages or Downtown
 - The number of parking spaces proposed must be adjusted to the lowest amount allowed by City code. For example, a street parking reduction of 50 percent is allowed in Urban Villages by Municipal Code Section 20.90.220, if a Project meets certain geographic and transportation demand management criteria.
 - The proposed number of parking spaces can be up to the general zoned minimum without the further reduction to Urban Villages, Downtown or other areas, if the parking provided is shared and publicly available and/or “unbundled” as defined in Chapter 20.200 of the Zoning Code.

- f. Does not adversely affect pedestrian, bike, or transit infrastructure. For example, sidewalk widths cannot be reduced below the City’s Complete Streets standard; bike lanes cannot be altered to reduce their accessibility or size beyond the City’ Complete Streets standard.

6. Transportation Projects that reduce or do not affect VMT: Transportation Projects that inherently support environmental, land use, and transportation goals of the City and State by reducing significant traffic impacts to a less than significant level or being neutral to meet the City’s screening criteria. Examples include transportation Projects that enhance pedestrian, bike, or transit infrastructure, and transportation Projects that maintain current infrastructure, without adding new automobile capacity. The Governor’s Office of Planning and Research in the 2017 Guidelines for Implementing SB 743 published a list of such Projects that is enumerated below:

- Rehabilitation, maintenance, replacement, and repair Projects designed to improve the condition of existing transportation assets (e.g., highways, roadways, bridges, culverts, tunnels, transit systems, and assets that serve bicycle and pedestrian facilities) and that do not add additional motor vehicle lanes
- Roadway shoulder enhancements to provide “breakdown space,” otherwise improve safety or provide bicycle access
- Addition of an auxiliary lane of less than one mile in length designed to improve roadway safety
- Installation, removal, or reconfiguration of traffic lanes that are not for through traffic, such as left, right, and U-turn pockets, or emergency breakdown lanes that are not utilized as through lanes
- Addition of roadway capacity on local or collector streets provided the Project also substantially improves conditions for pedestrians, bicyclists, and, if applicable, transit
- Conversion of existing general purpose lanes (including ramps) to managed lanes or transit lanes, or changing lane management in a manner that would not substantially decrease impedance to use
- Addition of a new lane that is permanently restricted to use only by transit vehicles
- Reduction in number of through travel lanes
- Grade separation to separate vehicles from rail, transit, pedestrians, or bicycles, or to replace a lane to separate preferential vehicles (e.g. HOV, HOT, or trucks) from

- general vehicles
- Installation, removal, or reconfiguration of traffic control devices, including Transit Signal Priority (TSP) features
- Traffic metering systems
- Timing of signals to optimize vehicle, bicycle, or pedestrian flow
- Installation of roundabouts or traffic circles
- Installation or reconfiguration of traffic calming devices
- Adoption of or increase in tolls
- Addition of tolled lanes, where tolls are sufficient to mitigate VMT increase
- Initiation of new transit service
- Conversion of streets from one-way to two-way operation with no net increase in number of traffic lanes
- Removal or relocation of off-street or on-street parking spaces
- Adoption or modification of on-street parking or loading restrictions (including meters, time limits, accessible spaces, and preferential/reserved parking permit programs)
- Addition of traffic wayfinding signage
- Rehabilitation and maintenance Projects that do not add motor vehicle capacity
- Addition of new or enhanced bike or pedestrian facilities on existing streets/highways or within existing public rights-of-way
- Addition of Class I bike paths, trails, multi-use paths, or other off-road facilities that serve non-motorized travel
- Installation of publicly available alternative fuel/charging infrastructure
- Addition of passing lanes in rural areas that do not increase overall vehicle capacity along the corridor

B. CEQA VMT Transportation Thresholds of Significance

VMT, as used in this Policy, measures the amount of personal motorized vehicle travel associated with a Project. *VMT* is measured by multiplying the total vehicle trips by the average distance those trips travel.

For residential and employment uses other than retail commercial uses, *VMT* is measured for each person who will occupy or use the Project. For retail commercial and transportation Projects, the net amount of *VMT* is measured to identify potential impacts.

The thresholds of significance, by Project type used by the City of San José to measure *VMT* are described in Table 1 of this Policy. Detailed methods for calculating *VMT* by Project type are further described in the City's Transportation Analysis Handbook.

C. Less than Significant with Mitigation

If a Project is determined to have a significant impact on *VMT*, it must reduce that impact by modifying the Project *VMT* to an acceptable level; that is below the established thresholds of significance applicable to the Project and/or mitigating the impact through multimodal transportation network improvements, or transportation demand management program as measured by a *Trip Cap*.

Methodologies for measuring and mitigating *VMT* for Projects are described in the City's Transportation Analysis Handbook. These methodologies for measuring and mitigating *VMT* for Projects must conform to the City's Transportation Analysis Handbook.

A *Trip Cap* as used in this Policy is a maximum number of vehicle trips allowed during any given day associated with a Project. The City, in coordination with the Project applicant, will set a Project's *Trip Cap* at a level that is reasonably attainable through proven means and enables the Project's *VMT* to be reduced below the relevant threshold(s). The TA must include a plan for implementation and funding of the *Trip Cap* for the life of the Project and will become

part of the Project's conditions of approval. Further, this plan must include methods for an annual trip mitigation, monitoring and reporting program (MMRP). The requirements of *Trip Cap* monitoring must include contingency plan for the City to make changes if the *Trip Cap* compliance reports demonstrate a failure to reduce the number of vehicles.

A short grace period not to exceed six (6) months will be provided to Projects that are not in compliance with their *Trip Cap* requirements based on the annual monitoring report. Such a non-conforming Project will be required to submit a new *Trip Cap* implementation plan which includes how and why the already established plan failed and new strategies and measures to attain the *Trip Cap*.

Monetary fees will be assessed if a Project is not in compliance with its *Trip Cap* after the grace period. The annual monetary fees are set at 1/5th the cost of the Transportation System Improvement(s) value defined in Section D2 below. Monetary fees collected will be used in the same manner as described in Section D2 below.

D. Significant and Unavoidable Impacts

If a Project is unable to fully mitigate *VTM* impact(s) and thus results in significant and unavoidable *VTM* transportation impact(s), the Project may:

1. Modify/Change or relocate the Project to a low *VTM* site to meet *VTM* threshold(s). This could include the following: Changing the Project type, increasing density and land use diversity, adjusting Project design, reducing off-street parking supply, replacing market rate units with affordable housing units, include local multimodal transportation network improvements as part of the Project, or undertake the Project in an area of the City where *VTM* is lower; or
2. The City Council may adopt a statement of overriding considerations as part of the environmental impact report certification process pursuant to Public Resources Code 21081.

Council will only consider a statement of overriding considerations for Projects that meet the following criteria:

- a. Commercial or industrial Projects that:
 - i. Demonstrate overriding benefits to the City, as determined by the City Council, in accordance with Public Resources Code 21081, based on a recommendation by City staff; and
 - ii. Are consistent with the General Plan, and any applicable area plan(s).
- b. Residential Projects that:
 - i. Are in *Planned Growth Areas*;
 - ii. Demonstrate overriding benefits to the City, as determined by the City Council, in accordance with Public Resources Code 21081, based on a recommendation by City staff;
 - iii. Meet the density requirements specified in the Transit Supportive Projects in *Planned Growth Areas* with Low *VTM* and *High Quality Transit* screening criteria; and
 - iv. Are consistent with the General Plan, and any applicable area plan(s)

To be eligible under clauses a. and b. above, a Project must also construct or fund multimodal transportation improvement(s), called Transportation System Improvement(s) that will improve system efficiency and/or safety, enhance non-auto travel modes, and promote citywide reduction of VMT. A Project's contribution, either through construction or payment towards improvements and expansion of the City's multimodal transportation system, is a way to achieve and be consistent with the related General Plan goals and policies.

The value of Transportation System Improvements that a Project applicant must construct or fund will be based on the amount of *VMT* impacts their Project is unable to mitigate. Table 2, VMT Values for Transportation System Improvements shows the values for commercial and residential Projects per vehicle mile traveled not mitigated.

Table 2 - VMT Value for Transportation System Improvements

Project Type	Value
Commercial	\$3,200 per Vehicle Mile Traveled not mitigated
Residential	\$2,300 per Vehicle Mile Traveled not mitigated

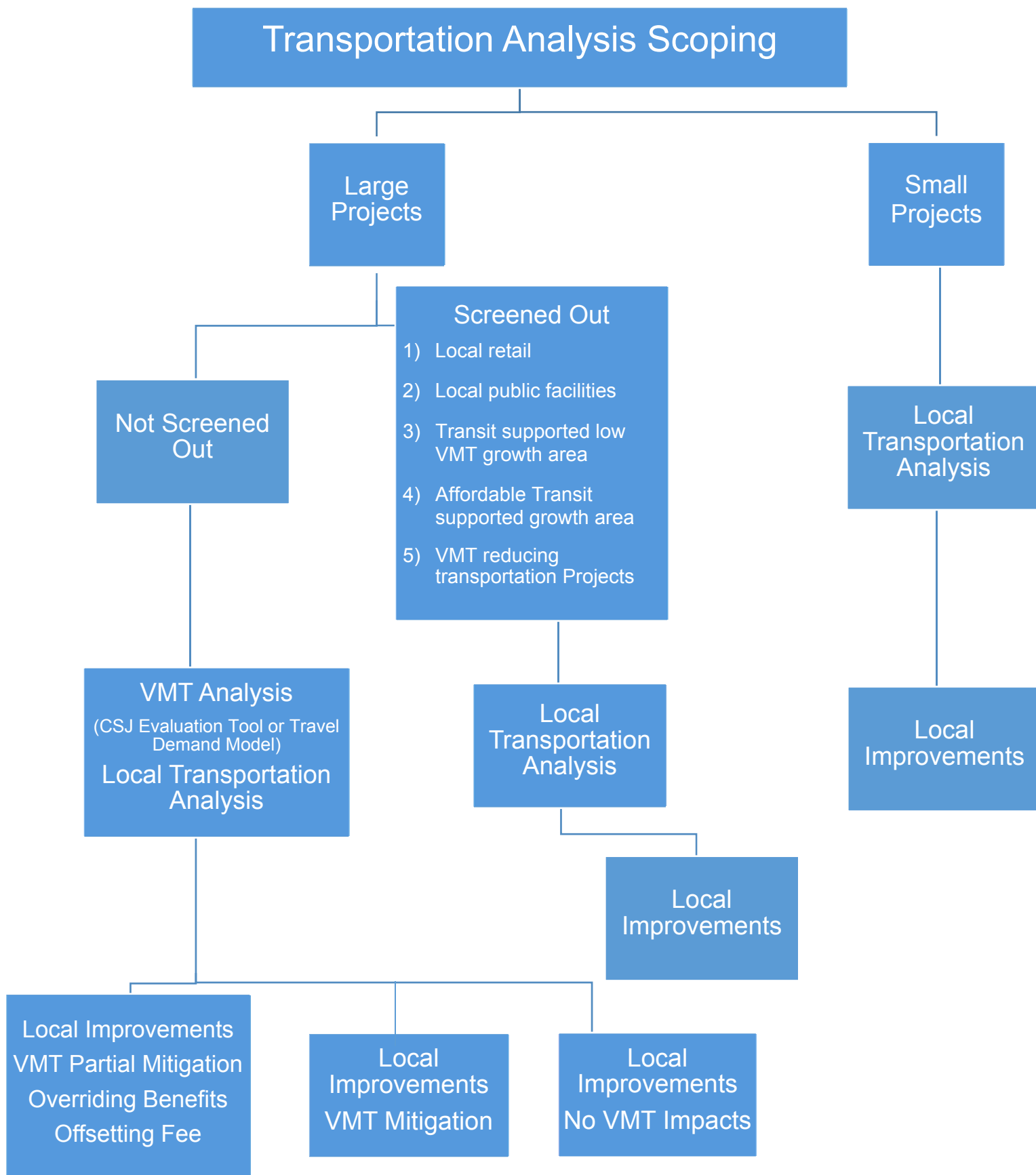
The value of Transportation System Improvements will increase annually, on January 1st in line with the Engineering News-Record Construction Cost Index (ENR CCI) to ensure that the value remains consistent over time.

For purposes of clarification, improvements to the citywide multimodal transportation system as discussed in this section are not "mitigation" for significant *VMT* impacts, as mitigation is defined by CEQA. Such improvements would not necessarily reduce or avoid the significance of *VMT* impacts that cannot be mitigated. These improvements to the multimodal transportation system are one of the overriding benefits to the community and findings made to this effect that can assist the Council in determining whether the overriding benefits of the proposed Project outweigh the significant effects on the environment.

- c. Affordable housing Projects that are 100% restricted affordable units, excluding unrestricted manager units, at or below income levels as defined in General Plan Policy IP-5.12. Affordability restrictions must be recorded and extend for a minimum of 55 years for rental homes or 45 years for for-sale homes.

Affordable housing Projects must be consistent with the General Plan, as well as any applicable area plan(s), and the City Council may consider a statement of overriding considerations even if the Project's *VMT* impact cannot be fully mitigated to a less than significant level. These affordable housing Projects will be required to mitigate their *VMT* impacts to the maximum extent feasible, as determined by the City of San José's Vehicle Miles Traveled Evaluation Tool, including implementation of a tailored TDM plan. However, these Projects would not be required to construct or fund Transportation System Improvements.

APPENDIX C
TO CITY COUNCIL POLICY 5-7
Flow Chart of the Transportation Analysis Process



City of San José, California

COUNCIL POLICY

TITLE	TRANSPORTATION IMPACT POLICY	PAGE		POLICY NUMBER	
			1 of 12		5-3
EFFECTIVE DATE	September 5, 1978	REVISED DATE	December 6, 2016		
APPROVED BY COUNCIL ACTION	September 5, 1978; Revised August 26, 1980; Revised by Resolution Nos. 72765.1 and 72765.2 on June 21, 2005; Revised by Resolution No. 78002 on December 6, 2016; Revised by Resolution No. _____ on February 27, 2018.				

BACKGROUND

The San José City Council adopted the following City Policy on June 21, 2005 (the "Policy"). The Policy was last amended on December 6, 2016. This Policy previously repealed and replaced Council Policies 5-3, "Transportation Level of Service" and 5-4, "Alternate Traffic Mitigation Measures".

APPLICABILITY OF POLICY

On February 27, 2018, the San José City Council adopted a new City Council Policy 5-1, "Transportation Analysis Policy." Policy 5-1 will eventually replace this Policy 5-3 for transportation analysis in the City. As the City transitions from this Policy 5-3 to the new Policy 5-1, certain projects will continue to be subject this Policy 5-3. See Policy 5-1 for further details of whether Policy 5-1 or Policy 5-3 applies to the proposed project and when Policy 5-1 will replace this Policy 5-3.

PURPOSE

The purpose of this Policy is to guide analyses and determinations regarding the overall conformance of a proposed development with the various multi-modal transportation policies in the City's Envision San José 2040 General Plan ("General Plan"), in order to provide a safe, efficient, and environmentally sensitive transportation system for the movement of people and goods.

POLICY

I. TRANSPORTATION POLICIES AND PROGRAMS

A. General Plan and Adopted Council Policies

Specific multi-modal transportation policies that are included in the City's adopted General Plan, or have otherwise been formally adopted by the City Council include the following:

Pedestrians General Plan policies encourage pedestrian travel between high density residential and commercial areas throughout the City. Pedestrian access is particularly encouraged for access to facilities such as schools, parks and transit stations, and in neighborhood business districts.

Bicycles General Plan policies encourage a safe, direct and well-maintained bicycle network that links residences with employment centers, schools, parks, and transit facilities. Bicycle lanes are considered appropriate on arterials and major collectors. Bicycle safety is to be considered in any improvements to the roadway system undertaken for traffic operations purposes

Neighborhood Streets General Plan policies discourage inter-neighborhood movement of people and goods on neighborhood streets. Streets are to be designed for vehicular, bicycle and pedestrian safety. Neighborhood streets should discourage both through vehicular traffic and unsafe speeds.

Private Developments When a Transportation Impact Analysis finds that a proposed development project would create an adverse traffic condition within an existing neighborhood, the City's Department of Transportation, other City staff, and the developers consultants will work to ensure that the development will include appropriate measures, including traffic calming measures where appropriate, to minimize the adverse impacts to the neighborhood.

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New development should create a pedestrian friendly environment that is safe, convenient, pleasant, and accessible to people with disabilities. Connections should be made between the new development and adjoining neighborhoods, transit access points, community facilities, and nearby commercial areas.

Transit Facilities General Plan policies state that all segments of the City's population are to be provided access to transit. Public transit systems should be designed to be attractive, convenient, dependable and safe.

Vehicular Traffic The General Plan provides that the minimum overall performance of signalized intersections within the City should achieve a minimum level of service. A development that would cause the performance of an intersection to fall below the minimum level of service needs to provide vehicular related improvements aimed at maintaining the minimum level of service and/or offsetting improvements. If necessary to reinforce neighborhood preservation objectives and meet other General Plan policies, the Council may adopt a policy to establish alternative mitigation measures

Regional Freeways General Plan policies encourage the City's continued participation in inter-jurisdictional efforts, such as the Santa Clara County Congestion Management Agency, to develop and implement appropriate techniques to improve the regional transportation system.

B. Implementation Programs

In support of these policies, the City relies upon a number of implementation policies, ordinances, programs, and development processes to maintain and improve the multi-modal transportation system. Specific techniques for protecting neighborhoods from significant traffic effects, and for ensuring that the burden of serving new development does not fall disproportionately upon existing neighborhoods and businesses, presently include the following:

- (a) requiring that all new developments improve their own public street frontage;
- (b) requiring that all new developments maintain an overall standard of Level of Service D or better at signalized intersections unless the intersections are covered by an Area Development Policy or are otherwise designated by the City Council as exempt from this policy;
- (c) collecting taxes from new development for the purpose of maintaining existing streets and roadways. Existing taxes include the Building and Structure Construction Tax (SJMC § 4.46), Residential Construction Tax (SJMC § 4.64), and the Construction Tax (SJMC § 4.54)
- (d) implementing a Council "Traffic Calming Policy" (Council Policy 5-6) that provides City resources to prevent, offset, or minimize adverse effects of vehicular cut-through traffic on residential neighborhoods.

II. TRAFFIC LEVEL OF SERVICE

The following language addresses the specific methods for implementing item I.B.(b), above, the City's adopted General Plan Level of Service Policy for Traffic, including its applicability and scope and an explanation of relevant concepts. This Policy serves as a growth management tool. It establishes a threshold for environmental impact, and requires new developments to mitigate significant impacts. This Policy serves the City by helping to protect neighborhoods, manage congestion, and build transportation infrastructure.

A. Application Of Policy

1. Geographic Areas

This Policy applies to all geographic areas of the City with the following exceptions:

- a. The Downtown Core Area, as defined by the City's General Plan. The Downtown Core Area is exempt from the City's Transportation Level of Service Policy.

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- b. Any area subject to an Area Development Policy adopted pursuant to the City's General Plan. Each Area Development Policy includes its own guidelines for implementation of the Level of Service Policy. (The General Plan states that an "area development policy" may be adopted by the City Council to establish unique traffic level service standards for a specific geographic area.)
- c. Specific intersections within Special Strategy Areas that are not required to meet a minimum LOS D. As described in Section III of this Policy, Special Strategy Areas are identified in the City's adopted General Plan and include Neighborhood Business Districts, Urban Villages, Transit Station Areas, and Specific Plan Areas.

2. Types of Developments

This Policy applies to all developments within the applicable geographic areas, except the following types of infill projects shall be exempted from Section I.B. of this Policy, because the Council finds that these projects, individually and cumulatively, will not cause a significant degradation of transportation level of service and subject projects will further other City goals and policies:

- a. All retail commercial buildings containing (5,000) square feet of gross area or less.
- b. All office buildings containing (10,000) square feet of gross area or less.
- c. All industrial buildings of (30,000) square feet or less.
- d. All single-family detached residential projects of (15) dwelling units or less.
- e. All single-family attached or multi-family residential projects of (25) units or less.

In no case shall any of these above types of infill projects be exempted if they are increments of a larger project or parcel.

B. Policy Implementation

1. Level Of Service

As used in this Policy, Level of Service is a measure of traffic congestion at those signalized intersections that are within the areas subject to this policy. The standards used by the City of San José to measure the Level of Service are described in the following table.

The City's goal is to achieve an overall Level of Service of 'D' at signalized intersections. City staff shall determine the appropriate methodology for determining the Level of Service, and shall apply that methodology in a consistent manner.

Level of Service	Description
A	No congestion. All vehicles clear in a single signal cycle.
B	Very light congestion. All vehicles clear in a single signal cycle.
C	Light congestion, occasional back-ups on some approaches or turn pockets.
D	Significant congestion on some approaches, but intersection is functional. Vehicles required to wait through more than one cycle during short peaks.
E	Severe congestion with some long back-ups. Blockage of intersection may occur. Vehicles are required to wait through more than one cycle.
F	Total breakdown. Stop and go conditions.

2. Transportation Impact Analysis

When the City determines through the application of its technical methodology that a proposed development may result in a substantial increase in traffic congestion, the applicant must prepare a Transportation Impact Analysis (TIA) to evaluate those project impacts. The TIA must comply with relevant professional standards and the methodology promulgated by City staff. In addition to

TITLE	TRANSPORTATION IMPACT POLICY	PAGE	POLICY NUMBER
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describing the existing vehicular transportation facilities in the project area, the TIA must also identify the existence, status and condition of pedestrian, bicycle and transit systems and facilities that would serve, or will be impacted by, the proposed development.

The developer must complete the proposed TIA prior to or in conjunction with the analysis of environmental impacts prepared to satisfy the requirements of the California Environmental Quality Act (CEQA).

a. Significant LOS Impacts

A significant LOS impact occurs when the TIA demonstrates that the proposed development would either: (1) cause the level of service at an intersection to fall below LOS D, or (2) contribute the equivalent of 1% or more to existing traffic congestion at an intersection already operating at LOS E or F.

It has long been San José's Policy that adding 1% or more to an already congested intersection is a substantial increase in congestion and constitutes a significant impact, and that is still the intention of this Policy.

When a significant impact occurs, then the TIA must also identify improvements that would reduce traffic congestion so that the intersection operates at the level that would exist without the proposed project. These traffic improvements will be referred to as LOS Traffic Improvements.

b. Mitigation for LOS Impacts

The proposed development is required to include construction of all LOS Traffic Improvements identified in the TIA as necessary to mitigate the significant LOS impacts, unless the TIA demonstrates that these improvements would have an unacceptable impact on other transportation facilities (such as pedestrian, bicycle, and transit systems and facilities), as such impacts are described in the next section of this policy. Implementing mitigation measures that cause unacceptable impacts in order to reduce the impacts of traffic congestion from a new development, is not consistent with the City's General Plan policies. In order to achieve conformance with the City's General Plan Traffic Level of Service and other transportation policies, alternative mitigation measure(s) that do not have unacceptable impacts, and that would reduce traffic congestion so that the intersection operates at the level that would exist without the proposed project, must be identified and implemented.

3. Unacceptable Impacts of Mitigation

For purposes of this Council Policy, an LOS Traffic Improvement has an unacceptable impact if the TIA demonstrates that the improvement would result in a physical reduction in the capacity and/or a substantial deterioration in the quality (aesthetic or otherwise) of any other planned or existing transportation facilities (such as pedestrian, bicycle and transit systems and facilities).

The following are examples of the kinds of impacts that would be considered unacceptable:

- reducing the width of a sidewalk below minimum city standard
- eliminating a bicycle lane or reducing its width below city standard
- eliminating a bus stop or eliminating a parking lane that accommodates a bus stop
- eliminating a parking strip (between sidewalk and street) that contains mature trees
- encouraging substantial neighborhood cut-through traffic
- creating unsafe pedestrian and/or automobile operating conditions

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III. SPECIAL STRATEGY AREAS

A. Background

To continue to expand local intersections in order to increase their vehicular capacity may, under certain circumstances, result in a deterioration of the local environmental conditions near those intersections, and an erosion of the City's ability to both encourage infill in designated Special Strategy Areas, and to support a variety of multi-modal transportation systems.

The City of San José has identified certain local intersections for which no further physical improvement is planned. These specific intersections, because of the presence of substantial transit improvements, adjacent private development, or a combination of both circumstances, cannot be modified to accommodate additional traffic and operate at LOS D or better, in conformance with all relevant General Plan policies. These intersections are all well within the Urban Service Area and the Greenline Urban Growth Boundary of the City. Future infill development that is otherwise consistent with other General Plan policies encouraging Smart Growth may, therefore, generate additional traffic through these intersections, resulting in a level of congestion that would not otherwise be consistent with the rest of this Policy.

B. Application

Any intersection that is added to the List of Protected Intersections must be located within designated Special Strategy Areas as shown in Exhibit I attached to this Policy, and consistent with the General Plan. The process of adding to the List of Protected Intersections is described in greater detail in the Implementation Procedures in Appendix A of this Policy.

C. Protected Intersections

This Policy therefore acknowledges that exceptions to the City's policy of maintaining LOS D at local intersections will be made for certain Protected Intersections that have been built to their planned maximum capacity. A list of these intersections will be approved by the City Council, subsequent to completion of the appropriate CEQA review. The list may be modified by the Council in the future. Any decision to modify the list will only be made after appropriate public review and consideration of any adverse impacts that might result from such a decision.

If a proposed development project would cause a significant LOS impact [as defined in Section II.B(2) above] at one or more of these Protected intersections, the proposed development will include construction of specific improvements to other segments of the citywide transportation system, in order to improve system capacity and/or enhance non-auto travel modes.

The physical improvements that would be included in the proposed development will be capacity enhancing improvements to the citywide transportation systems. First priority for such improvements will be those improvements identified that would be proximate to the neighborhoods impacted by the development project traffic. The process for identifying and approving these improvements is described in Appendix A of this Policy.

By funding these improvements to the City's overall multi-modal transportation system, the development project will contribute substantially to achieving General Plan goals for improving and expanding the City's multi-modal transportation system. The development project would, therefore, be consistent with the City's General Plan multi-modal Transportation Policies, including the Traffic Level of Service Policy.

D. Applicability to Subsequent Projects

A determination of General Plan conformance for a particular development project would not be applicable to subsequent, different development projects that have LOS impacts on the same Protected Intersection. Any individual project that would result in LOS impacts must be evaluated in the context of its own impacts and its own efforts to conform to this Policy.

COUNCIL POLICY MANUAL
APPENDIX A
TO COUNCIL POLICY 5-3
POLICY IMPLEMENTATION PROCEDURES¹

The applicant² for any proposed development project that might generate a substantial amount of traffic is required to submit a Traffic Impact Analysis (TIA) that identifies (a) project traffic impacts on nearby intersections, and (b) mitigation for any impact identified as significant. The TIA must be prepared by a qualified traffic engineer to the satisfaction of the Director of Public Works and needs to identify not only impacts from project traffic but also possible impacts from any proposed mitigation measures. This must include impacts on roadways and roadway capacity, and on any facilities or systems for alternative forms of transportation (such as transit stops, sidewalks, bicycle lanes, etc.), whether within the public right-of-way or not.

If the TIA concludes that the project would not result in significant traffic Level of Service (LOS) impacts to any intersections or freeway segments, or impacts to any alternative transportation modes, the project can be identified as conforming to the General Plan Traffic LOS Policy. If the project would result in a significant traffic LOS impact, and its proposed LOS mitigation would have unacceptable impacts on other transportation facilities, or if the project itself would result in an unacceptable impact on other transportation facilities, the project would need to be modified in order to avoid both the significant traffic LOS impact and the unacceptable impact(s) on other transportation facilities. The modification could be one or a combination of the following:

- (1) a reduction in the size of the project (less square footage or number of units proposed, etc.) to a degree that would avoid the need for traffic LOS mitigation, or
- (2) the identification of a different mitigation measure that would reduce the traffic LOS impact to an acceptable level and would not itself have unacceptable impacts, or
- (3) modification of the project design to avoid the significant traffic LOS impact and/or the unacceptable impact(s) on other transportation facilities.

Please see the discussion below in *Unacceptable Mitigation Measures – Citywide* for a description of what constitutes an unacceptable impact.

The directions for preparing a TIA, including the thresholds for triggering its preparation and the criteria used both to determine the significance of traffic impacts and to evaluate the effectiveness of mitigation measures, are described in the detailed methodology prepared and maintained by the City's Department of Transportation, consistent with prevailing professional standards in the field.

Unacceptable Mitigation Measures - Citywide

Unacceptable mitigation measures include any LOS Traffic Improvement that would result in substantial degradation of or a reduction in capacity for alternative transportation modes. If any of the LOS Traffic Improvements that are necessary to avoid significant traffic impacts could, themselves, have unacceptable impacts on other existing or planned transportation facilities, those improvements will not be allowed. An unacceptable impact on other existing or planned transportation facilities is defined as reducing any physical dimension of a transportation facility below the City's stated minimum design standard, or causing a substantial deterioration in the quality of any other planned or existing transportation facilities, including pedestrian, bicycle, and transit systems and facilities, as determined by the Director of Transportation. Examples of unacceptable impacts would include:

- reducing the width of a sidewalk below minimum City standard;
- eliminating a bicycle lane or reducing its width below minimum City standard;
- eliminating a bus stop, or eliminating a parking lane that accommodates a bus stop;
- eliminating a park strip (between sidewalk and street) that contains mature trees that shade and protect the sidewalk³;
- encouraging substantial neighborhood cut-through traffic;
- creating unsafe pedestrian and/or automobile operating conditions.

If an LOS Traffic Improvement proposed to mitigate a project impact would itself have unacceptable impacts, the applicant must identify another mitigation measure. If any LOS Traffic Improvement/mitigation measure proposed requires acquisition of right-of-way and/or affects an existing private development near the intersection or elsewhere, sufficient information about the all of the impacts of right-of-way acquisition and

redesign of the intersection must also be provided so that the City decision makers and the public will know what the full effects of the mitigation measure would be.

If a proposed project fails to provide acceptable mitigation for significant traffic impacts (at other than Protected Intersections), in other words, if the proposed project does not avoid significant impacts to both roadways and other modes of transportation in a manner that is acceptable under the Policy, the proposed project cannot be found under this Policy to conform to General Plan transportation policies, or to have less than significant impacts on the physical environment.

List of Protected Intersections

The City Council has approved a List of Protected Intersections that have been built to their planned maximum capacity, as stated in this Policy. It is the City's intention that no further expansion of those intersections will occur. In creating this list, an environmental impact report ("EIR") was prepared and that EIR was certified by the City Council, all as required under the provisions of the California Environmental Quality Act of 1970, as amended ("CEQA"), that acknowledged that traffic congestion at those Protected Intersections will eventually exceed the City LOS Standard of D.

Additions to List of Protected Intersections

The City Council may decide in the future, based on recommendations from City staff or others, that one or more additional intersections should be added to the List of Protected Intersections. To be eligible for the list, intersections must be at infill locations and within designated Special Strategy Areas as shown in Exhibit I attached to this Policy, and consistent with the General Plan. Special Strategy Areas include Neighborhood Business Districts, Urban Villages, Transit Station Areas, and Specific Plan Areas.

Any addition to the List of Protected Intersections must be approved by the City Council. Any revision will undergo the appropriate CEQA review, including an analysis of future conditions that include traffic from planned and reasonably foreseeable development. The current list will be maintained and promulgated by the Director of Transportation. Intersections that are added to the list will be already built to their maximum capacity, where further expansion would cause significant adverse effects upon existing or approved transit or other multi-modal facilities, nearby land uses, or local neighborhoods.

Intersections added to the List of Protected Intersections that are also designated on the Santa Clara County Congestion Management Plan (CMP) must still meet CMP requirements.

Impacts to Protected Intersections

If a TIA is prepared and identifies a significant LOS impact to a Protected Intersection that is on the Council-approved List of Protected Intersections, the project would not be required in that particular instance to provide further vehicular capacity-enhancing improvements to that intersection in order for the City to find project conformance with the General Plan. Instead, as described below, General Plan conformance could still

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be found if the applicant chooses to provide improvements to other parts of the citywide transportation system in order to improve transportation systemwide roadway capacity or to enhance non-auto travel modes in furtherance of the General Plan goals and policies described in this Council Policy. The improvements would be within the project site vicinity or within the area affected by the project's vehicular traffic impacts. With the provision of such other transportation infrastructure improvements, the project would not be required to provide any mitigation for vehicular traffic impacts to the listed intersection in order to conform to the General Plan. The threshold of significance for protected intersections is one-half that of non-protected intersections.

Transportation System Improvements

Improvements made to the Citywide transportation system under the provisions of this Policy may be to either the roadway system or to other elements of the City's overall transportation infrastructure. The specific improvements proposed should generally be identified prior to project approval. Priority will be given to improvements identified in previously adopted plans such as area-wide specific or master plans, Redevelopment Plans, or plans prepared through the Strong Neighborhoods Initiative. Neighborhood outreach will occur prior to and concurrent with the project review and approval process.

In determining the extent, number, and location of the Transportation System Improvements, should an applicant choose this option of addressing unacceptable transportation system impacts created by a proposed project, the process described in this Appendix will be followed in order to assure consistency in the application of this Policy. The total value of improvements proposed to be constructed by a particular project having significant LOS impacts on a Protected Intersection will be determined initially by multiplying \$2,000 by the total number of peak hour project trips generated by the project, after all vehicular traffic credits have been assigned.⁴ The peak hour used as the basis for calculating this value will be the one (AM or PM) having the highest number of net trips after assignment of credits. The \$2,000 base amount will automatically increase 3.5 percent per year, to ensure that the amount remains at a consistent level over time.⁵ The total amount of this calculated value will create the budget for construction of the Transportation System Improvements for a project. The improvements must be implemented within the area proximate to the Special Strategy Area affected, as shown on the Community Improvement Zone Map (Exhibit II) maintained by the City's Department of Transportation in order to maximize the benefit of the traffic improvements on the same area impacted by the project traffic.

There are caps on the maximum value of Transportation System Improvements that would be required for impacts from a single project on a single Protected Intersection, and for impacts from a single project on two or more Protected Intersections. The maximum values are as shown:

Project Size	1 Impact	2+ Impacts
Less than 400 Trips	\$2,000 per trip	\$3,000 per trip
Over 400 trips	TBD during CEQA process	TBD during CEQA process

The value, location and specific type of improvements may be some of the information that could be available to the public during the community outreach process that takes place prior to project approval. However, specific improvements can be determined/finalized during subsequent planning permit stages.

For purposes of clarification, building improvements to the Citywide transportation system is not "mitigation" for significant traffic LOS impacts, as mitigation is defined by CEQA. Such improvements would not reduce or avoid the significance of the impacts to the listed intersections. Rather, the improvements accomplished in this way would be a means of providing substantial additional benefit to the community by improving the overall multi-modal transportation system in the area, which the decision makers would consider in deciding whether or not to approve the proposed project. The EIR that addresses the impact of designating a particular Protected Intersection should state that projects impacting protected intersections in conformance with this Policy would build such improvements and address the benefits of these anticipated improvements in the Statement of Overriding Considerations adopted by the City Council.

In approving this Policy, the City has determined that building such improvements will contribute substantially to achieving General Plan goals for improving and expanding the City's multi-modal transportation system. A development project that conforms to this Policy could, therefore, be found to be consistent with the City's General Plan multi-modal Transportation Policies, including the Traffic LOS Policy.

CEQA Process for Subsequent Projects

A traffic LOS impact to a Protected Intersection will still be considered a significant impact for the purposes of CEQA. A development project that conforms to this Policy which results in significant traffic impacts at one or more of the Protected Intersections will not normally be required to prepare a separate EIR just to address its impacts at one of the listed Protected Intersections. It is anticipated that the project-specific environmental review may be able to use the EIR certified for the purpose of placing the impacted intersection on the Council-adopted list of Protected Intersections as a base and "tier" off it, as allowed by CEQA and the City's Environmental Review Ordinance.⁶ The EIR certified for the Protected Intersection(s) will, however, be used only for the purpose of addressing the impacts of traffic at one or more Protected Intersections. The project-specific environmental document, whether an Initial Study or Subsequent/Supplemental EIR, will include analysis of all other impacts, including other traffic impacts, as required by CEQA. If the project also has a significant impact at another (non-protected) intersection, that impact and its mitigation(s) will be addressed as they have been in the past under existing policies. If the impact is fully mitigated in a fashion that is consistent with the General Plan and the adopted Council Transportation Impact Policy, it will not trigger preparation of an EIR.

If an applicant for a project found to have a significant impact on one of the listed Protected Intersections chooses not to construct other transportation system improvements, the other alternative method available for finding that project consistent with the General Plan would be to downsize the proposed project, so that it would not result in a significant impact at the listed intersection. If the applicant chooses not to implement transportation system improvements as allowed for under this Policy, or to downsize the project in order to eliminate the significant LOS impact at the Protected Intersection, then the project could not be found to be consistent with the City's General Plan and could not be approved. The project would also have a significant unavoidable CEQA impact.

ENDNOTES

¹ Except as otherwise noted in this Appendix, terms used herein shall have the meanings described within the Policy.

² For this Policy, the term "applicant" refers to someone that has requested an entitlement or discretionary approval from the City of San José.

³ A park strip with mature trees provides a substantial physical separation between pedestrians and vehicular traffic, adds a degree of protection to the sidewalk, and creates a more comfortable environment for pedestrians, especially children.

⁴ Credits, or reductions in the net number of trips generated by a proposed development project, can be based on factors such as existing development on the project site that will be removed if the proposed project is implemented and/or reductions in trip generation rates assumed consistent with policies of the Congestion Management Agency or assumptions based on studies conducted by the City or the Institute of Transportation Engineers (ITE).

⁵ The 3.5 percent cost escalation adjustment is based on a 20-year average construction cost factor. The adjustment will take effect annually on July 1st, beginning in 2006.

⁶ The Environmental Review Ordinance is contained at Title 21 of the San José Municipal Code.

EXHIBIT I
SPECIAL STRATEGY AREAS

- Planned Growth Areas Map
- Neighborhood Business Districts Diagram
- Special Diagrams – Envision San José 2040 General Plan

Planned Growth Areas (*insert*)

Neighborhood Business District Diagram (*insert*)

Special Diagrams

This page provides various citywide and area-specific diagrams contained in the Envision San Jose 2040 General Plan document, as referenced below.

<https://www.sanjoseca.gov/index.aspx?NID=3368>

Chapter 1: Planned Growth Areas Diagram

Chapter 4: Scenic Corridors Diagram

Chapter 4: Potential Hospital Sites

Chapter 4: Open Space, Parklands and Trails Diagram

Chapter 5: Area Development Policy Diagram

Chapter 5: Transportation Network Diagram

Chapter 5: Land Use / Transportation Diagram

Chapter 6: Primary Truck Routes Diagram

Chapter 6: Airport Influence Area Diagram

Chapter 7: Housing Growth Areas by Horizon

Appendix 9: Neighborhood Business Districts

- East Santa Clara Street
- The Alameda and West San Carlos Street
- Alum Rock Avenue
- Story Road
- Winchester Boulevard
- Japantown and North 13th Street / Luna Park
- Willow Glen and Willow Street

EXHIBIT II

**COMMUNITY IMPROVEMENT
ZONE MAP**

Community Improvement Zone Map (*insert*)

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE ESTABLISHING INFILL OPPORTUNITY ZONES FOR CONGESTION MANAGEMENT PLANNING IN THE CITY OF SAN JOSE PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 65088.4

WHEREAS, California Government Code Section 65089, last amended on January 1, 2003, requires the Santa Clara Valley Transportation Authority (“VTA”) to adopt a Congestion Management Program which includes Level of Service (“LOS”) standards established for a system of highways and roadways designated by the VTA within Santa Clara County; and

WHEREAS, pursuant to California Government Code Section 65089, in no case shall the LOS standards established be below the LOS E or the current level, whichever is farthest from LOS A except when the area is in an “infill opportunity zone”, and when the LOS on a segment or at an intersection fails to attain the established LOS standard outside an infill opportunity zone, a deficiency plan shall be adopted pursuant to California Government Code [Section 65089.4](#); and

WHEREAS, VTA, as the Congestion Management Agency for Santa Clara County, adopted a Congestion Management Program for Santa Clara County pursuant to California Government Code Section 65089 and VTA last updated its Congestion Management Program for Santa Clara County in 2015; and

WHEREAS, there are approximately 145 intersections located in the City of San José included in the Congestion Management Program for Santa Clara County; and

WHEREAS, State Senate Bill 743 (“SB 743”), effective on January 1, 2014, amended California Government Code Section 65088.4 to balance the need for LOS standards

for traffic with the need to build infill housing and mixed use commercial developments within walking distance of mass transit facilities, downtowns, and town centers and to provide greater flexibility to local governments to balance these sometimes competing needs; and

WHEREAS, California Government Code Section 65088.4 authorizes a city to designate an infill opportunity zone by adopting a resolution after determining that the infill opportunity zone is consistent with the general plan and any applicable specific plan, and is a transit priority area within a sustainable communities strategy or alternative planning strategy adopted by the applicable metropolitan planning organization; and

WHEREAS, California Government Code Section 65088.1 defines “infill opportunity zone” (“IOZ”) as a “specific area designated by a city or county, pursuant to [subdivision \(c\) of Section 65088.4](#), that is within one-half mile of a major transit stop or high-quality transit corridor included in a regional transportation plan. A major transit stop is as defined in [Section 21064.3 of the Public Resources Code](#), except that, for purposes of this section, it also includes major transit stops that are included in the applicable regional transportation plan. For purposes of this section, a high-quality transit corridor means a corridor with fixed route bus service with service intervals no longer than 15 minutes during peak commute hours”; and

WHEREAS, pursuant to California Government Code Section 65088.4, notwithstanding any other provision of law, level of service standards described in Section 65089 shall not apply to the streets and highways within an infill opportunity zone; and

WHEREAS, SB 743 also directs the California Office of Planning and Research to produce new guidance for cities that removes automobile LOS from transportation analysis under the California Environmental Quality Act (“CEQA”) and replaces it with Vehicles Miles Travelled (VMT), or another measure that “promote[s] the reduction of

greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses.” The intent of this change is to shift the focus of transportation analysis from driver delay to the reduction of GHG emissions, creation of multimodal networks, and promotion of integrated land uses; and

WHEREAS, the City of San José (“City”) seeks to reform the City’s approach to analyzing transportation impacts pursuant to the California Environmental Quality Act (“CEQA”) to better support local land use and transportation policies by measuring VMT rather than by LOS; and

WHEREAS, the adoption of an IOZ in the City would provide strong support for the City’s efforts to replace LOS with VMT for CEQA transportation impact purposes and more align with the Envision San José 2040 General Plan (“General Plan”); and

WHEREAS, the adoption of an IOZ in the City would allow VTA, as the Congestion Management Agency for Santa Clara County, to better support the City’s land use planning efforts, compact land use pattern, and multimodal transportation system through Congestion Management Program practices; and

WHEREAS, the IOZ designation is consistent with the Envision San José 2040 General Plan (“General Plan”) because: 1) it will further the goal to “Establish circulation policies that increase bicycle, pedestrian, and transit travel, while reducing motor vehicle trips, to increase the City’s share of travel by alternative transportation modes,” articulated in the City’s General Plan transportation element; 2) directly support Major Strategies of the General Plan including, but not limited to, #3 Focused Growth, #5 Urban Villages, #6 Streetscapes for People, #7 Measurable Sustainability/Environmental Stewardship, and #9 Destination Downtown; and 3) it will complement City efforts to promote infill housing and mixed-use commercial developments in proximity to multimodal transportation infrastructure; and

WHEREAS, the City Council finds that intersection identified in Exhibit "A," entitled "Congestion Management Program IOZ Intersections in San José," which is attached hereto and made a part hereof by this reference as if fully set forth herein, met the requirement under California Government Code Section 65088.4 to designated by resolution as an IOZ; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE:

1. That the City Council hereby incorporates all of the Recitals above.
2. That the City Council finds the In-fill Opportunity Zone areas as depicted in Exhibit A is consistent with the General Plan, any applicable Specific Plan, and meets all the requirements set forth in California Government Code Section 65088, et seq. to be designated as an In-fill Opportunity Zone.
3. That the eligible portion of the City identified in the In-fill Opportunity Zone Map attached hereto as Exhibit "A" is hereby designated an In-fill Opportunity Zone within the meaning of California Government Code Section 65088.4.

ADOPTED this _____ day of _____, 2018, by the following vote:

AYES:

NOES:

ABSENT:

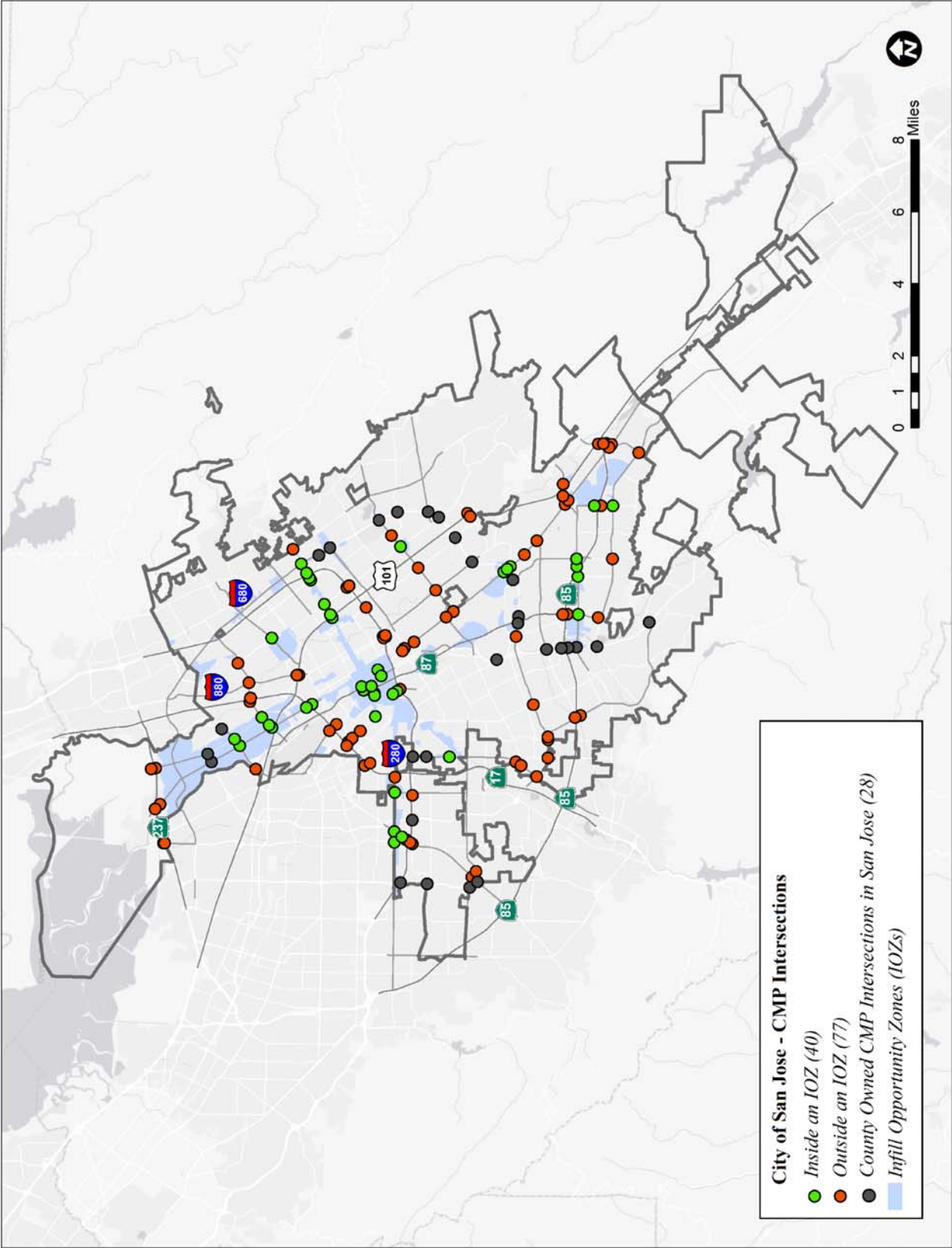
DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk

EXHIBIT A
CONGESTION MANAGEMENT PROGRAM IOZ INTERSECTIONS IN SAN JOSE



List of CMP Intersections Inside an IOZ

	Intersection Location
1	BLOSSOM HILL RD & ENTRADA CEDROS/WEST VALLEY FR E
2	BLOSSOM HILL RD & WEST VALLEY FR W
3	COTTLE RD & WEST VALLEY FR N
4	GUADALUPE FR E/NOTRE DAME ST & JULIAN ST/ST JAMES ST
5	GUADALUPE FR W/PLEASANT ST & JULIAN ST
6	GUADALUPE FR & SANTA CLARA ST
7	ALUM ROCK AV & BAYSHORE FR (NB)
8	BAYSHORE FR & BROKAW RD E
9	ALUM ROCK AV & BAYSHORE FR (SB)
10	BIRD AV & SINCLAIR FR N
11	ALUM ROCK AV & SINCLAIR (NB)
12	ALUM ROCK AV & FOSS AV/SINCLAIR (SB)
13	FIRST ST & NIMITZ FR N/ROSEMARY ST
14	BURTON AV/NIMITZ FR S & FIRST ST
15	ALAMEDA & MARTIN AV/RACE ST
16	ALMADEN BL & SAN CARLOS ST
17	ALUM ROCK AV & CAPITOL AV
18	ALUM ROCK AV & JACKSON AV
19	ALUM ROCK AV & KING RD
20	AUTUMN ST & SANTA CLARA ST
21	BASCOM AV & STOKES ST
22	BERRYESSA RD & LUNDY AV
23	BIRD AV/MONTGOMERY ST & SAN CARLOS ST
24	BLOSSOM HILL RD & SANTA TERESA BL
25	BLOSSOM HILL RD & SNELL AV
26	BROKAW RD & FIRST ST
27	BROKAW RD & ZANKER RD
28	CAPITOL EX & MONTEREY RD N
29	CAPITOL EX & MONTEREY RD S
30	COTTLE RD & SANTA TERESA BL
31	FIRST ST & TRIMBLE RD
32	KIELY BL & SARATOGA AV
33	KIELY BL & STEVENS CREEK BL
34	KING RD & TULLY RD
35	MARKET ST & SAN CARLOS ST
36	MONTEREY RD & SENTER RD
37	MONTGOMERY ST & SANTA CLARA ST
38	SARATOGA AV & STEVENS CREEK BL
39	STEVENS CREEK BL & WINCHESTER BL
40	TRIMBLE RD & ZANKER RD

Attachment D

Supporting Details on Thresholds and Screening Criteria

This attachment to the memorandum on the proposed Council Transportation Analysis Policy, Policy 5-1, provides additional details to explain the Screening Criteria and Thresholds.

Screening Criteria VMT Impacts

As discussed in the Policy, projects that meet screening criteria, based on their location, type, size, density, and other attributes will not require a detailed VMT analysis. The rationale for the City's proposed screening criteria is described below:

- **Transportation projects that do not change VMT or transportation projects that inherently reduce VMT.** Transit, active transportation, transportation infrastructure maintenance, and traffic calming projects generally reduce or have no impact on VMT because they either improve conditions for non-automobile modes of travel or maintain infrastructure without any change. Therefore, these types of projects are not required to prepare a detailed VMT analysis. This criterion applies to passenger rail projects, bus and bus rapid transit projects, and bicycle and pedestrian infrastructure projects. Streamlining transportation analysis under CEQA for transit and active transportation projects aligns with the three statutory goals of SB 743, reducing GHG emissions, increasing multimodal transportation networks, and facilitating mixed-use development.
- **Small infill projects.** The small infill projects' screening criteria, as proposed in the Policy, are based on the following:
 - The City's methodology for calculating VMT for residential projects, as well as the approach to evaluate residential VMT reductions for mitigation measures, is well-supported by research based on study sites with at least 50 people. Projects with less than 50 people are assumed to cause a less than significant transportation impacts and are not required to prepare a detailed VMT analysis. This threshold is roughly equivalent to 15 single-family units and 25 multi-family units.
- **Local-serving retail.** The screening criteria for local serving retail is proposed to be up to 100,000 square feet of total project size. Retail projects under 100,000 square feet that meet screening criteria are not required to prepare a detailed VMT analysis. This screening criteria is based on the following:
 - New retail developments typically redistribute shopping trips rather than creating new trips.¹ Local-serving retail developments tend to shorten trips and reduce VMT by adding retail opportunities into the urban fabric and thereby improving retail destination proximity. On the other hand, regional-serving retail developments which lead to substitution of longer trips for shorter ones, might increase VMT. The State recommends that lead agencies set screening criteria for local-serving retail that create a less than significant transportation impact.

¹ (Kristin Lovejoy, 2013)

- A conservative evaluation of San José retail development history supports the total project size of 100,000 square feet. Based on staff's review of available information, San José retail development project history shows that no regional serving retail projects are below 100,000 square feet. The smallest regional serving retail project in recent San José development history was 148,000 square feet. The proposed criteria of 100,000 square feet is thus safely conservative, accommodating potential variations in potential regional retail projects beyond the observed range.
- The proposed total project size is also supported by San Diego Association of Governments (SANDAG) findings. SANDAG funded the creation of a Traffic Generators Manual for its MPO area. The SANDAG findings supports the proposed 100,000 square feet criteria for local serving retail.
- **Local-serving public facilities.** Similar to local-serving retail, facilities owned by the City or other similar public entities that serve local needs typically redistribute trips rather than create new trips. For example, a new branch library, passive park and fire station will tend to shorten trips and reduce VMT by improving people's proximity to recreational, educational, and other similar facilities. Schools are not included in this screening criteria.
- **Development in Planned Growth Areas with low-VMT that are served by frequent transit.** State SB 743 Implementation Guidelines suggest that development in two types of areas meet screening criteria based on the nature of the areas and thus do not require a detailed VMT analysis. The first is developments within low VMT areas; defined as areas which already meet CEQA VMT threshold and are also in Planned Growth Areas. The second type of area is around high quality transit, defined as areas with a ½ mile of transit stops and routes which have 15 minute headways or less during peak periods, which are also in Priority Growth Areas. The State guidelines also suggest that developments within these areas have minimum standards to qualify as "transit-supportive."

Within San José, not all Planned Growth Areas surrounding high quality transit currently support multimodal travel and therefore should not be included in the screening criteria. For example, the area of Saratoga Avenue running south from Stevens Creek Boulevard would meet State suggested screening criteria, yet this area has highly automobile-oriented land use patterns and transportation facilities. Allowing new developments in auto-centric areas, even if the area meets the definition for high-quality transit, to refrain from VMT analysis is not warranted. Exempting such developments in these auto-centric areas would preempt the potential for VMT mitigations, an important mechanism to improve the multimodal transportation network.

With this in mind, staff proposes to use a hybrid of the State-suggested screening criteria: development within Planned Growth Areas which meet *both* conditions – low VMT and high quality transit – thus developments that meet these two screening criteria will require a detailed VMT analysis.

- **Deed-restricted affordable housing in any Planned Growth Area with high quality transit.** Deed-restricted affordable housing, defined as developments that are 100% affordable for low, very low, and extremely low income, have been shown to correlate with reductions in VMT. This reduction in VMT is particularly evident in sites near transit, as lower income people are more price sensitive and are more likely to utilize lower cost transit

than to take on the financial burden of ownership and operation of a car.² Therefore, the City finds that transit-supportive, 100% deed-restricted affordable housing in Planned Growth Areas near high quality transit is a valid screening criteria for a project and will not require a detailed VMT analysis.

Thresholds

- ***Residential***

Currently the regional VMT average, for the nine-county Bay Area, as measured through the City of San José's travel demand model, is substantially lower than the City's average. Using this less stringent baseline is inappropriate for San José. It would allow projects to proceed without detailed VMT analysis in areas that need additional multi-modal transportation improvements. Using the less stringent baseline, as recommended by OPR, would put nearly 40 percent of the City within this screening criteria areas. This implies that developments in these areas would not need VMT analysis under CEQA and therefore; not potentially contribute to the development of the multi-modal transportation networks. Therefore, it is proposed that the City use the more stringent of the two baselines to set as the City's threshold. This would reduce the screening criteria area to roughly 25 percent of the City, generally covering areas that have developed multimodal facilities.

- ***Industrial***

For Industrial employment projects, the City proposes to use the regional average VMT as the threshold. This threshold acknowledges that neither the City nor the Valley Transportation Authority are likely to develop the needed multi-modal infrastructure to enable such projects to reduce their VMT to 15 percent below the regional average. For example, VTA is unlikely to run high frequency bus service to low density warehouse areas as it is unlikely to have enough ridership to support this level of service. Likewise, the City is unlikely to develop protected bikeways in low density industrial areas for some time as there are many other areas of the City where more people will use such infrastructure.

- ***Change of Use or Additions to Existing Development***

OPR's 2017 Technical Advisory suggests that "where a project replaces existing VMT-generating land uses, if the replacement leads to a net overall decrease in VMT, the project would lead to a less-than-significant transportation impact." This suggested metric could be used to undermine the intent of the Transportation Analysis Policy by replacing current uses with less dense uses; thereby, reducing the net overall VMT but also potentially reducing the VMT efficiency of a site. Therefore, San José proposes to use the same per capita thresholds for redevelopment sites as for new sites.

² (Center for Neighborhood Technology and California Housing Partnership Corporation, 2016)

Attachment E:

City website on the Transportation Analysis Policy can
be viewed online at:

www.san Joseca.gov/vmt

This website contains materials from previous
community meetings, study sessions, and other public
information.

The following
items were
received after
packets were
distributed.

Fw: FW: VTA Comments on City of San Jose proposed Transportation Analysis Policy to align with SB 743

Nusbaum, Jenny

Tue 2/6/2018 2:52 PM

Inbox

To: Espinoza, Melissa <melissa.espinoza@sanjoseca.gov>;

Cc: Thomas, Ned <ned.thomas@sanjoseca.gov>; McHarris, Steve <Steve.McHarris@sanjoseca.gov>; Hart, Jared <Jared.Hart@sanjoseca.gov>; Brilliot, Michael <Michael.Brilliot@sanjoseca.gov>; Mack, Karen <Karen.Mack@sanjoseca.gov>;

Importance: High

📎 1 attachments (1 MB)

VTA Comments on CSJ VMT Policy_February2018_FINAL.pdf;

Hi Melissa,

Can you please have someone on your team forward this letter to the Planning Commissioners?

Thanks,

Jenny Nusbaum
City of San José, Dept. of PBCE
Planning Division
[200 East Santa Clara Street, 3rd Floor Tower](#)
[San José, CA 95113](#)
jenny.nusbaum@sanjoseca.gov
408-535-7872

From: Chang, Bena
Sent: Tuesday, February 6, 2018 2:48 PM
To: Panakkal, Meenaxi; Nusbaum, Jenny
Cc: Zenk, Jessica; Madou, Ramses
Subject: Fwd: FW: VTA Comments on City of San Jose proposed Transportation Analysis Policy to align with SB 743

Hi Meenaxi and Jenny,

Could you make sure this letter is distributed to the Planning Commissioners?

Thanks!

Bena

From: Swierk, Robert <Robert.Swierk@vta.org>
Sent: Tuesday, February 6, 2018 2:35:01 PM
To: Chang, Bena
Cc: Zenk, Jessica; Madou, Ramses
Subject: FW: VTA Comments on City of San Jose proposed Transportation Analysis Policy to align with SB 743

Bena –
Here is VTA's letter – please confirm receipt. Per our discussion, we'd appreciate your help in making sure it gets included in the packet for the Planning Commissioners. Also please share the word as appropriate that a VTA representative (myself) will be attending, and available to answer any questions related to VTA/our CMP if they come up.
Thanks!
Rob

From: Swierk, Robert
Sent: Tuesday, February 6, 2018 2:32 PM
To: Ortbal, Jim; 'rosalynn.hughey@sanjoseca.gov'; 'john.cicarelli@sanjoseca.gov'
Cc: 'michael.liw@sanjoseca.gov'; 'meenaxi.panakkal@sanjoseca.gov'; 'jared.hart@sanjoseca.gov'; Zenk, Jessica; 'karen.mack@sanjoseca.gov'; Augenstein, Chris; Lawson, Jim; Emoto, Casey; Haywood, Scott
Subject: VTA Comments on City of San Jose proposed Transportation Analysis Policy to align with SB [743](#)

[Mr. Ortbal](#), [Ms. Hughey](#) and Mr. Cicirelli –

Attached is a letter with VTA's comments on the City's proposed Transportation Analysis Policy to align with Senate Bill 743. We are submitting this letter both for staff consideration and to be included in the packet for tomorrow evening's Planning Commission hearing.

Thank you for consulting with VTA staff during the process of preparing the draft policy, and for the opportunity to comment. We look forward to continuing to work with the City as you implement your new policy. Please don't hesitate to contact Chris Augenstein at (408) 321-7093 or me at (408) 321-5949 if you have any questions or would like to arrange a meeting.

Thanks,
Rob

Robert Swierk, AICP
Principal Transportation Planner
Santa Clara Valley Transportation Authority
3331 North First Street, Building B
San Jose, CA 95134-1927
Phone [408-321-5949](tel:408-321-5949)

February 6, 2018

Jim Ortbal, Director of Transportation
Rosalynn Hughey, Acting Director of Planning, Building and Code Enforcement
John Cicirelli, Acting Director of Public Works
City of San José
200 East Santa Clara Street
San José, CA 95113

Dear Mr. Ortbal, Ms. Hughey and Mr. Cicirelli:

On behalf of the Santa Clara Valley Transportation Authority (VTA), I am writing to offer VTA's comments on the City of San José's proposed new Transportation Analysis Policy to align with Senate Bill (SB) 743. VTA would like to thank the City for consulting with VTA staff frequently during this process, particularly over the past six to nine months as the draft policy has taken shape.

As a Congestion Management Agency (CMA), transit provider, and Lead Agency for transit and highway capital projects, VTA will play a critical role in Santa Clara County in guiding the transition from Level of Service (LOS) to Vehicle Miles Traveled (VMT). VTA recognizes the important role the City of San José is playing by being the first jurisdiction in Santa Clara County to update its policies in accordance with SB 743.

VTA supports the overall direction of the City's new Transportation Analysis Policy, including the switch from LOS to VMT in the City's California Environmental Quality Act (CEQA) practices as well as the reduction in emphasis on LOS in local transportation analysis. This direction supports the vision and ambitious mode-shift goals in the City's Envision San José 2040 General Plan. The City's new direction also aligns with many VTA goals, such as promoting more intense, mixed-use development near transit, facilitating the development of multimodal transportation networks, and supporting the reduction of Greenhouse Gas emissions.

VTA would like to offer the following specific comments related to the City's proposed Transportation Analysis Policy:

- **Screening Projects for VMT Analysis – Effects on Transit, Bike and Pedestrian Modes:** VTA supports the proposed streamlining of CEQA analysis for development projects that a) are in planned growth areas, b) have low VMT, c) are near high-quality transit, d) have transit-supportive project density and appropriate amounts of parking, and e) do not negatively impact transit, bike or pedestrian infrastructure. VTA believes that not harming transit, bike or pedestrian infrastructure is a critical point that is sometimes overlooked in environmental review of development projects (for instance, projects covered by area plans with programmatic environmental clearance). VTA requests that the City define more clearly what would constitute a negative impact to transit, bike or pedestrian infrastructure. VTA recommends that the City build a step into its

development review process to flag any development in proximity to an existing or planned transit corridor, station, stop, or right-of-way. Furthermore, VTA believes that if a development project is found to negatively impact transit, bike or pedestrian infrastructure during the screening stage (i.e., when determining whether a VMT analysis is required), that information should be disclosed in the CEQA document.

- **Analysis for CEQA, City and Congestion Management Program (CMP) Purposes:** VTA notes that as the City shifts the emphasis of its analysis for CEQA and City purposes, its policy needs to continue to address consistency with the Santa Clara County CMP maintained by VTA. CMPs are established through a separate state law (California Government Code 65088-89, 1991) than CEQA, and this law currently requires that CMPs maintain a standard for automobile Level of Service. The City of San José is one of the 16 Member Agencies of the Santa Clara County CMP. VTA notes that the City's proposed Policy 5-1 (page 5) references compliance with the CMP. VTA encourages City staff to consult with VTA to ensure that analysis meets CMP requirements as the new policy is implemented.
- **Consistency between City of San José VMT Policy and VTA Countywide Guidance:** VTA has for many years maintained a set of policies and guidelines that specify how LOS analysis, as well as other transportation analysis (e.g., pedestrian, bicycle and transit analysis) should be performed for CMP purposes in Santa Clara County. The local jurisdictions in Santa Clara County have supported this countywide guidance and have generally found it to be beneficial in promoting consistency across jurisdictions.

Since the adoption of SB 743 in September 2013, local jurisdictions across the county have expressed their desire to see a consistent approach to VMT analysis as this law is implemented. VTA has recently begun an effort to work with all its local jurisdictions to develop consistent methodologies for estimating baseline VMT, project VMT, and VMT reductions from mitigation measures. As VTA works with local jurisdictions (including the City of San José), it is possible that this countywide effort will require the City of San José to update its policy and/or practices to align with the new countywide approach. As noted in the staff report for the February 7, 2018 Planning Commission hearing (page 15), "future updates to this Council Policy 5-1 will also reflect the outcomes of the VTA-led countywide VMT effort that began in late Fall 2017." VTA supports such updates and looks forward to working with City staff.

- **Designation of Infill Opportunity Zones (IOZs):** VTA is aware that the City is planning to designate a number of IOZs that are in planned growth areas in the City's General Plan and are Transit Priority Areas (TPAs) within the Sustainable Communities Strategy (Plan Bay Area 2040). VTA notes that the City's proposed IOZs are based on a map of TPAs established by the Metropolitan Transportation Commission (MTC) in 2017 with the adoption of Plan Bay Area 2040. However, this TPA map does not reflect all VTA bus routes with 15-minute or better peak period frequency. Therefore, the City's current IOZ proposal is conservative in terms of how many CMP intersections it covers.

The City and other stakeholders should be aware that the map of IOZs, and therefore the list of which intersections will require CMP LOS analysis, may change in the future with changes to the VTA transit network. As noted in the staff report for the February 7, 2018 Planning Commission hearing (page 13), “staff will bring updates to IOZs areas to the City Council for approval... The first update is anticipated with implementation of the VTA’s Next Network service plan and the Berryessa BART extension.” VTA will work with City staff to assist in mapping and confirming these IOZ updates.

- **City’s Phase 2 Effort and VTA/City Coordination:** VTA understands that the proposed new Transportation Analysis Policy represents “Phase 1” of the City’s update, and that the Council may direct staff to refine the policy in a second phase of work. As noted above, this Phase 2 effort can provide an opportunity for the City to adjust its practices to match any countywide guidance that VTA develops. This Phase 2 effort could also include an update of the City’s Baseline VMT and Threshold VMT figures, if further examination of the transportation modeling reveals that these figures need to be updated. VTA also understands that City staff is proposing to include a research “feedback loop” in which the City’s VMT sketch tool could be updated based on research and empirical data collection from development sites. VTA supports this Phase 2 effort and the proposed research feedback loop, as ways to strengthen the City of San José’s policy, support VTA’s countywide efforts, and bolster implementation around the state.

VTA looks forward to continuing to work with the City as it implements its new Transportation Analysis Policy and as VTA leads a countywide effort on the LOS-to-VMT transition. Please do not hesitate to contact me at (408) 321-7093 or Robert Swierk at (408) 321-5949 if you have any questions or would like to arrange a meeting.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Augenstein".

Chris Augenstein, AICP
Director, Planning & Programming

cc: City of San José: Michael Liw, Meenaxi Panakkal, Jared Hart, Jessica Zenk, Karen Mack
VTA: Jim Lawson, Casey Emoto, Scott Haywood, Robert Swierk

From: Brian Schmidt <bschmidt@greenbelt.org>

Sent: Wednesday, February 7, 2018 11:55 AM

To: City Clerk

Cc: Adina Levin; Joel Ramos

Subject: Comments submitted for tonight's Planning Commission, Agenda Item 8

Dear City Clerk,

I am submitting these comments on behalf Friends of Caltrain, TransForm, and Greenbelt Alliance for tonight's Planning Commission Agenda Item 8 General Plan Public Hearing related to the new VMT policy.

Please distribute them to the Commission members.

I am happy to answer any questions.

Sincerely,
Brian Schmidt

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Bay Area greenbelt lands are at risk of being lost to sprawl development. [Get the facts here.](#)



**FRIENDS
OF
CALTRAIN**



February 7, 2018

Re: February 7, 2017 Planning Commission Item 8, Support for San Jose VMT policy

Dear Chair Pham and Planning Commission members:

The City of San Jose is preparing to make a big shift in the way it plans transportation and building projects making it much easier to provide transit, active transportation, and infill development, in line with the city's policy goals. As supporters of sustainable transportation and smart growth, we strongly support the proposed change as a general matter and the specific aspects of the proposal, while including some suggestions for consideration.

I. We applaud San Jose for moving forward with the VMT Policy proposal.

Historically, the California Environmental Quality Act, a law intended to protect the environment, has resulted in outcomes that are unfortunately detrimental to the environment, by discouraging walking, bicycling, and transit, and reducing infill developments that improve accessibility among jobs, housing, and services, and reduce greenhouse gas emissions and air pollution.

The recent state law, SB743, changes how the transportation impact of buildings and projects is evaluated under CEQA, which requires cities and agencies to assess the impact of projects and plans on the environment, and to mitigate those impacts where feasible. See:
<http://resources.ca.gov/ceqa/docs/update2018/notice-of-proposed-rulemaking.pdf>.

Historically, transportation impact has been assessed by vehicle delay, using "level of service," to assess delay at intersections. But the concept that cars idling at stoplights is a major driver of pollution has been debunked by research. The new law changes the measurement to "vehicle miles traveled", which is much more closely correlated to the environmental hazards of particle pollution and greenhouse gas emissions. See:
<http://usa.streetsblog.org/2017/07/06/urban-myth-busting-congestion-idling-and-carbon-emissions/>

Using vehicle delay as a measurement has several consequences that result in worse environmental and health outcomes. Using this measure, transportation projects like bike lanes and bus lanes that slow solo drivers are seen as harmful to the environment even though they are likely to reduce pollution. A common remedy to "mitigate" intersection congestion is to widen roadways, making walking, bicycling, and transit less safe and attractive to use, encouraging driving and fostering even more congestion. The other major remedy is to reduce infill development in places that already have buildings and cars, and to encourage greenfield development in places that don't yet have traffic.

Research shows that this illogic - locate new buildings far from existing buildings to improve traffic flow - doesn't provide the hoped for mobility benefits. Studies show that infill development can result in slower driving - but still improve access, because people have more destinations reachable within a short distance, and need to spend less time driving. See:

http://mtc.ca.gov/sites/default/files/CGanson_MTC_Planning_Innovations_743_6-8-17.pdf

II. Comments on specific aspects of the VMT proposal

Streamlined projects. We applaud San Jose for being one of the leaders in the Bay Area and the state to pursue this change, following San Francisco and Oakland. And we support San Jose's discretionary choices about how to streamline projects including small infill projects, projects in areas with high-quality transit that support increased use of sustainable transportation, local-serving retail facilities that can help shorten trips, and transportation projects that reduce VMT. We are eager to see helpful infill and sustainable transportation projects benefit from a streamlined process.

Extraordinary/overriding benefits requirement. We strongly support the draft proposal requiring that projects exceeding VMT thresholds after mitigation only be approved if, among other considerations, they demonstrate "extraordinary benefits" (alternatively called "overriding benefits"). These high-VMT projects will actively damage San Jose's efforts to reach climate change goals, so they shouldn't proceed unless they achieve something extraordinary.

We suggest that the final version of this policy incorporate concrete standards for determining if a project provides overriding benefits. While this may be difficult in some circumstances, some criteria do lend themselves to review, such as jobs per acre. We suggest an extraordinary project would rank in the top 5 percent compared to similar projects elsewhere.

The October 4, 2017 letter from SPUR on the VMT proposal outlines some useful criteria for measuring extraordinary/overriding benefits such as jobs per acre (a higher density of jobs gets San Jose closer to its jobs goals), the benefits provided by the land prior to development (such as habitat or recreational value), and the value of public improvements that will be provided as mitigations (such as providing publicly-available electric vehicle charging infrastructure).

In the alternative, if a comprehensive and exclusive set of criteria for determining overriding is difficult to determine, then we suggest that the include criteria such as the ones we propose here without determining that they constitute the sole means of determining "overriding" benefit. These criteria could be officially incorporated into analysis during the planned Phase 2 of the VMT policy shift if additional time is needed for their development.

Fair Share VMT fee calculated based on mileage. We support the decision to assess a Fair Share VMT fee based on mileage created by the project rather than on a daily trip basis. This funding will help address the impacts created by the projects with significant impacts and treat them appropriately with the fee calibrated to the impact, instead of one-size-fits-all. This will further encourage projects to reduce their VMT.

Revision during Phase 2. The VMT switch includes a 2-year-long Phase 2 following the change in CEQA that would change the City's planning, not just its CEQA process. We support using this time to

consider revisions to the VMT policy, in order to make it even more environmentally sound as well as more convenient to all concerned.

Control of environmental review. San Jose handles environmental review differently from most Bay Area cities - rather than charging applicants so it can contract with consultants to write reviews, as most cities do, San Jose allows applicants to hire the consultants to write the initial draft documents that San Jose reviews and converts into EIRs. Developer control over consultants creates an obvious concern about whether consultants feel responsible to San Jose voters or developers who control their payment.

We understand there has been some reconsideration of this system. We suggest as a pilot step, the transportation and VMT analysis should be prepared in this manner by consultants hired by the City, with costs charged to applicants. This will ensure a fair evaluation of VMT, and the City can always reconsider this during the Phase 2 re-evaluation.

Alternative locations analysis should emphasize TOD locations. The staff proposal appropriately suggests alternative locations should be considered as part of the alternatives analysis for projects with VMT levels that exceed thresholds. We suggest Transit-Oriented Development locations be given priority when considering alternative locations and when possible that the project description made compatible with TOD. For example, projects should be described according to their purposes (e.g., 20,000 square feet of commercial office space) not their design (a one-story tilt-up office with lots of parking). That will make TOD alternatives more appropriate for study.

When to begin applying the VMT policy. This significant improvement to City policy should come into effect as soon as possible, so we support the staff proposal to implement this policy effective at the end of March. We applaud staff for making the change to implement the policy soon.

Conclusion

Going forward, we also support and encourage neighboring cities countywide agencies, including VTA, to make this shift. And in the coming years, we encourage the region to replace the old, LOS-driven, car-centric transportation funding mechanisms with new county and corridor-based transportation fees that can be used for multi-modal improvements with goals to reduce vehicle miles traveled.

Thank you for your consideration,

Joël Ramos
Regional Planning Director
TransForm

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Greenbelt Alliance

Adina Levin
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